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VERBATIM REPORT
(Hansard)

Speaker: Honourable James Russell

Wednesday

19 December 1984

The House met at 3:00 p.m.

MR. SPEAKER (Russell):
Order, please!

Statements by Ministers

MR. WINDSOR:
Mr. Speaker.

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

SOME HON. MEMBERS:
Hear, hear!

MR. WINDSOR:
Mr. Speaker, I am pleased to be able to report to the House today that the recent Newfoundland trade mission to the Orient, headed by myself and my colleague, the Minister of Mines and Energy, (Mr. Dawe) has been successful in creating a positive attitude towards investment possibilities in Newfoundland and Labrador. The mission was designed to promote investment opportunities in Newfoundland-based resource projects, and included meetings in Japan, South Korea and Hong Kong.

Mission delegates represented several Newfoundland companies and organizations. These included the BAE Group, Easteel Industries, Marystown Shipyard, Geonautics, Woodman's Fisheries, the Iron Ore Company of Canada, Fishery Products International, Transpacific Resources, NORDCO, and the Town of Mount Pearl. As well, the mission included the Deputy Ministers of Development, Forest Resources and Lands, Mines and Energy, and Fisheries, as well as a liaison support person from the Department of Development.

This trade mission to the Orient has gone a long way towards establishing the kinds of permanent business relationships which will eventually lead to joint ventures between Newfoundland firms and business in the Far East.

I should like to outline some of the major activities that were arranged by the Departments of Development and External Affairs as part of this mission.

We were in Japan from December 2 to December 7 and met with various representatives from the private sector and the Japanese government. Included in these business meetings were briefings from MITI, the Japanese Ministry for International Trade and Industry; the Japanese Ministry of Agriculture, Forestry, and Fisheries; and we also met with the Japan Forest Agency and Japan Fisheries Agency, who presented briefs on their respective industries and markets.

While in Japan, delegates attended the Canadian Oil, Gas and Marine Technology Exposition (COGMIT). This is an annual event sponsored by the Canadian embassy to introduce Canadian ocean industries to business in Japan. I addressed a seminar held in conjunction with the show, outlining the activities of the petroleum industry in offshore Newfoundland. As well, the Minister of Development from Nova Scotia was at the seminar, which was attended by 130 business executives. Incidentally, Instrumar Limited, a Newfoundland firm, was exhibiting at the COGMIT show.

Mission delegates also met with the Japan Deep Sea Trawler

Association, and the Japan Marine Products Importers Association, and reviewed the market for Newfoundland fish products with five Japanese importing firms.

Some of the major manufacturing industries visited in Japan include the Nippon Chemical Industrial plant, Nippon Kokan Shipyards, and Oji Paper Company. Mission delegates also met with representatives of the Japan Paper Association and participated in a forest products tour. In addition, delegates met with representatives of two of the larger trading companies in Japan, Mitsui Corporation and Marubani Corporation.

The Minister of Mines and Energy presented a brief on mineral-based opportunities in Newfoundland and Labrador at a metals investment seminar in Tokyo, and at a meeting of the Canadian Chamber of Commerce in Japan, I had the honour of presenting a brief on development opportunities in the Newfoundland offshore. Members of the Japan/Canada Business Co-operation Committee, the Premier of Prince Edward Island, the Nova Scotia Development Minister, and over 150 Japanese based business executives were also at that meeting.

In Japan, delegates met with representatives of Japex Petroleum, who have expressed a great interest in oil and gas activity in offshore Newfoundland. Delegates also met with the Overseas Fisheries Co-operation Foundation. Several Newfoundland delegates toured the Japanese port of Kushiro, a major fish producing centre, visiting plant facilities, a salmon hatchery, a surimi plant and a large-scale wholesale and retail

seafood market. The port of Kushiro is significant in that close to one million tons of fish are landed there annually, equalling the total fish landings in all of Canada on a yearly basis. While in Kushiro, delegates met with representatives of the Kanai Fisheries Company.

I had the opportunity in Japan to address the weekly meeting of the Tokyo Rotary Club, where I outlined the development opportunities that exist in Newfoundland for Japanese business interests. I was also delighted to be able to participate in the signing of an agreement on behalf of the Newfoundland Government which will enable Newfoundland Hydro to borrow 7 billion yen from the Bank of Tokyo and Meiju Mutual Life for the purchase of equipment for hydro-electric developments in the Province.

I would like to point out that because of a very heavy schedule of activities, mission delegates also split up from time to time to enable us to attend all the functions. In particular, while some of the mission delegates stayed in Japan to tour the port of Kushiro, my colleague, Mr. Dawe, and I travelled to South Korea for meetings with Canadian embassy officials in Seoul. Also, in South Korea we visited the Hyundai Corporation, which employs over 180,000 people at an immense complex situated at Ulsan. The complex includes a major automobile factory, a steel foundry, a steel pipe manufacturing plant, a ship construction yard and a repair yard. We were taken on a complete tour of the automobile manufacturing plant beginning with the foundry, where the major metal components are produced, and

proceeding through the various stages of assembly to the finished product. That tour was followed by one which took us through the huge shipbuilding yard and the adjacent ship repair and modification facility. Incidentally, Mr. Speaker, the dry dock there is the largest in the world.

The Hong Kong portion of the mission was scheduled from December 9 to December 12 and was planned because, among other reasons, Hong Kong is rapidly becoming the main centre of activity for imports from the Western World to China. Since China represents a huge, untapped market for almost all products produced in this Province, it was considered desirable to make the industry in Hong Kong more aware of these products. As well, the impending expiration of the British leasehold in Hong Kong has created a situation where many investors in the colony are looking for investment opportunities outside the area.

In Hong Kong, delegates met with representatives from twenty-eight different business organizations and companies. Notable among these were the Hong Kong General Chamber of Commerce, the Hong Kong Trade Development Council, the China National Offshore Corporation, the Chung Wah Shipbuilding and Engineering Company Limited, and many more.

In Hong Kong, my colleague and I were asked to represent Canada at a wreath laying ceremony and memorial service to commemorate Canadians who had lost their lives in the defence of Hong Kong during the Second World War.

At separate meetings of the Hong

Kong General Chamber of Commerce and the Canadian Chamber of Commerce in Hong Kong, I made major presentations dealing with the resources available in Newfoundland, as well as development opportunities.

I would like to reiterate that the trade mission to the Orient was undertaken to investigate the potential for the development of business relationships between Newfoundland and companies based in the Far East. The value of such an effort must be measured by the results achieved by specific mission participants. For example, Easteel Industries had been negotiating for several months with a steel company in Tokyo with respect to securing the agency for downhole pipe for offshore drilling. The meetings they held in Tokyo brought them closer in their negotiations, and there will be further negotiations within the next sixty days, which can possibly bring their plans to fruition.

In Hong Kong, Easteel met with companies involved in steel fabrication both onshore and offshore China. There is a strong desire for Easteel to joint venture with one of these companies. It now appears that as a result of their participation, Easteel will have further negotiations on a proposed joint venture to work in China. Meetings have been arranged with officials of this Chinese company in St. John's in January, with a planned follow-up visit to China in March by Easteel representatives.

Another mission participant, the BAE Group, used the opportunity of the mission to meet with companies interested in establishing a

presence in Canada, and in Canadian transfer of technology to their countries. Some of the opportunities that the BAE Group identified are in the areas of mini-hydro development, pre-fab housing, shipbuilding and ship repair, oil development, including supply of engineering expertise for the South China Sea, and transfer of fisheries expertise.

These are examples of how specific companies have benefitted from the quality contacts that were made during this ministerial mission. Other inroads were made in the area of the fishery. The primary objectives of the mission from the fisheries perspective were to seek potential avenues for investment in the Newfoundland fishing industry, to further develop our market potential, and to ascertain the reaction to Newfoundland fish products in the visited countries, especially Japan.

As a result of meetings held during the mission it was determined that Japan will need additional amounts of fish in the short and long term because of reduced fish allocations in foreign waters; hence there would appear to be considerable market opportunities for redfish, cod and other groundfish species. A significant amount of interest was expressed in investing in Newfoundland based companies, as well as potential joint ventures involvement in harvesting, processing and marketing activities. It is also encouraging to learn that shipments of Newfoundland fish products to Japan have been generally well accepted, especially pertaining to squid and caplin and, very recently, small shipments of redfish.

The increasing need for fish products by Japan will necessitate a cooperative effort in the area of technical advice on product handling and processing, and in this regard further discussions have been planned with the Overseas Fisheries Development Foundation in Japan for the potential exchange of personnel. Furthermore, plans have been finalized between the two fishing industry delegates on the mission for further discussions with specific reference to caplin production and marketing in Japan in January.

In Hong Kong, meetings were held with the Fisheries Department as well as many fish importing companies, plus companies interested in investment. There would appear to be a developing market for groundfish in Hong Kong, based upon a recent dramatic increase in groundfish imports from New Zealand. This is a market that was identified during the mission and one in which the potential for Newfoundland exports is great. Redfish and codfish are obvious examples of potential export items to the Hong Kong market.

While in Hong Kong the mission was exposed to the huge fur industry, valued at some \$250 million annually, and meetings were held with large fur processors and marketers. This has great potential for Newfoundland, especially in relation to revitalizing the seal fishery.

It is particularly interesting to note that several companies involved in fish, in particular, and also furs will be visiting Newfoundland during 1985 to continue the dialogue that the mission initiated. While it is

understood that future development of investment and market potential will take considerable time and planning, the groundwork for such activities has been laid by this mission, and both Newfoundland companies and the companies in the Far East are now better equipped to discuss activities pertaining to their respective communities.

In the area of shipbuilding, and from the standpoint of Marystown Shipyard Limited, the trade mission was both successful and educational. In Japan substantive discussions were held with a major shipbuilding and offshore fabrication company, NIPPON KOKAN Limited, who are actively pursuing the idea of future joint ventures with Marystown Shipyard in the design and fabrication of offshore structures. These discussions were a follow-up to a visit by executives of NIPPON KOKAN to Marystown several months ago and resulted in an agreement in principle for a technology transfer programme starting in early 1985.

In Korea discussions were held between Marystown Shipyard and Hyundai Shipyards in Ulsan, and information was exchanged dealing with mass production techniques and equipment. At the time of our visit to the Hyundai there were forty-five vessels being constructed. In Hong Kong meetings were held with a major shipping company which had previously expressed an interest in investing in the Canadian offshore and recognizes the necessity of Canadian content in such a venture. It is expected that follow-up meetings will be arranged to discuss both the Japanese and Hong Kong business opportunities in early 1985.

Another major resource sector which was addressed during the mission was forestry. The primary objectives of the mission from the forestry standpoint included familiarization with the characteristics and demands for pulp and paper products in the Southeast Asian marketplace and to promote investment potential in the Lake Melville area of Labrador, where a high quality wood resource is available for the production of pulp and/or paper.

Next to the United States, Japan is the largest consumer of wood and wood products in the world, and estimates indicate that the Japanese will have to import an additional 200,000 tons of newsprint by the end of this decade. The Japanese market is a very demanding one for newsprint in that they require top quality and guaranteed consistency of supply. If both these factors can be met by a supplier, then the price is not usually the determining factor in entering into contracts. Mission delegates met with representatives of the Japanese Paper Association and discussed the opportunities that exist for investment in Newfoundland projects for the production of paper for the Japanese market. The investment opportunity in Labrador was presented, stressing the high quality of the available wood resource and the existence of relatively low power rates which will remain stable in the future. It was ascertained that, if conditions were right, Japanese paper companies have demonstrated a willingness to invest anywhere in the world, and that the quality of the resource, coupled with the valuable energy situation, would make Labrador a viable investment of interest to Japanese firms.

One of these companies, Oji Paper, has already established a partnership in New Brunswick, and company officials emphasized their willingness to continue to invest in Eastern Canada. Several other pulp and paper companies were contacted in Japan including , Tekai Paper, Jujo Paper and Kanematsu-Goso Limited and information was provided on the Labrador forest investment potential.

In addition, discussions were also held with the Marubeni Trading Company, who have had a long-standing relationship with the Abitibi Company operations in Newfoundland for the purchase of newsprint for the Japanese market.

Most of the contacts made in Hong Kong concerning the forestry potential in this Province were of a broad nature, to investment groups such as the Chamber of Commerce. Specific contact was made with a number of companies who are interested in the forest product sector, including one investor who has already visited Labrador. A number of these companies expressed an interest in visiting Labrador to assess the investment potential for forestry first-hand.

If Newfoundland and Labrador is to be competitive in world markets, and if we are to develop our resources fully, we must initiate contact with investors and business interests who can supply the necessary expertise and capital. As a Province, we are not alone in these efforts. While we were in Asia, major trade delegations from the governments of Nova Scotia, P.E.I., B.C. and Alberta were also in that region. In fact, every provincial government in Canada has engaged

in trade promotion in the Pacific Rim in the last several years in recognition of the simple fact that this country needs foreign investment for development and the Orient is one of the major sources of development funding as well as one of the largest markets in the world.

I should also like to point out that it is the quality of the business contacts made, not the quantity, that is important. On numerous occasions senior company officials, as well as embassy staff stated that the designation of the mission as a ministerial mission, with representatives including Ministers of the Crown, was essential to gaining access to the top levels of the corporate world in the countries visited.

It would be remiss of me to conclude without a word of praise to the Canadian Embassies in Japan and South Korea, and the Commission for Canada in Hong Kong, who contributed greatly to the success of the trade mission.

The timing of this trade mission to the Orient is rather advantageous from the Newfoundland perspective. The Japanese government has recently changed their industrial strategy, seeking ways to rationalize industry with the resources available to them. They recognize that they are weak in natural resources yet strong in high technology industries. On the other hand Newfoundland has an abundance of natural resources but the level of technological application in industry is limited. Through trade missions such as this we are endeavouring to bring about a natural "marriage" of Japanese technology and Newfoundland resources.

We also see this effort as a means by which we can develop new markets for our products. It is important to note, Mr. Speaker, that gaining access to the Hong Kong markets puts us in an excellent position to penetrate the potential of the mainland Chinese market.

It was encouraging to note that many of the business executives we met had reacted favourably to the recent change in the Canadian federal government. The stated policy of Prime Minister Mulroney, welcoming investors to Canada, the change in FIRA and the review of the National Energy Policy, were all seen to be positive steps which made the investment climate in this country very attractive.

For this Province to grow economically we require development of our natural resources. This development will be funded in two ways; through the creation of a strong processing and manufacturing sector utilizing natural resources, and through the opening up of new markets for our existing and new products. Trade missions such as this, Mr. Speaker, are the beginning of the process that will accomplish both of these goals.

Mr. Speaker, I would as my colleague, the Minister of Mines and Energy (Mr. Dawe), to expand on the areas relating to the mineral sector.

Before I sit down I want to note the concern of the Opposition and their small minds as it relates to development of this Province. We can see what they are worried about.

SOME HON. MEMBERS:
Hear, hear!

MR. DAWE:
Mr. Speaker.

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

MR. DAWE:
Mr. Speaker, the mineral based opportunities component of the mission received a very positive reception which could lead not only to expanded markets in East Asia for the commodities already sold there, but also for additional mineral commodities from Newfoundland and Labrador.

The importance of this government's effort to gain a greater share for the Province -

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

MR. SPEAKER (Russell):
Order, please!

The hon. the member for LaPoile on a point of order.

MR. NEARY:
Mr. Speaker, I want to point out that we just had a Ministerial Statement that was twenty minutes in duration and I believe whichever one of my colleagues on this side of the House who wants to should have the opportunity to reply.

MR. DAWE:
I asked the Leader of the Opposition (Mr. Barry).

MR. BARRY:
I waived our right to an immediate reply.

MR. NEARY:
If you did, fair enough.

MR. DAWE:

Who is the real Leader of the Opposition over there?

MR. RIDEOUT:

They have two leaders, one fighting against the other over there.

MR. SIMMS:

The knives are out.

MR. SPEAKER (Russell):

The hon. the Minister of Transportation.

MR. DAWE:

The importance of this government's effort to gain a greater share for the Province of a growing market in a largely resource deprived area is emphasized by the fact that every other province in Canada has mounted a trade oriented mission to Southeast Asia in 1984

MR. NEARY:

Your propaganda will not justify your squandering of taxpayer money.

MR. DAWE:

Currently, the Western provinces enjoy the lion's share of Canada's minerals export trade with that part of the world. However, it is clear from the response to our mission that there is definite potential for growth in trade with the Easternmost provinces, but we must take the initiative in seeking out and developing markets for, not only minerals, but other products as well.

On December 4, I conducted a seminar in Tokyo on mineral-based opportunities in Newfoundland and Labrador. A copy of the text of that presentation is being made available to hon. members. The seminar was attended by senior representatives of Japanese mining companies, steel and other metal

companies, major banks, ferro-alloy interests, the Japan Mining Industry Association, trading companies and the Ministry of International Trade and Industry. Our illustrated presentation was received with great interest and there were many requests for further, detailed information on specific minerals. We had been advised by the Canadian Embassy officials that the East Asian market is one which, if it is to be accessed, requires persistence and patience. It is our intention, therefore, to followup the contacts made and to make every effort to expand our exports and to realize new investment in Newfoundland and Labrador.

As evidence of the positive impact of our presentation on mineral-based opportunities, one of the large Japanese trading companies followed up immediately, through the Canadian Embassy in Tokyo, about their wish to obtain further information. That inquiry awaited me upon my return and their interest is two-fold. They wish to pursue the opportunity presented by the Iron Ore Company of Canada's specialty minerals deposit in Strange Lake, Labrador.

That deposit, which is recognized as the largest known concentration of high tech metals discovered anywhere in the world, is an outcome of a survey which we conducted a few years ago and which was followed up by the Iron Ore Company of Canada. The value of the metals contained there is estimated to be in the order of some \$10 billion and the company is currently planning a mining and processing complex.

The development will be one which takes advantage of advanced

Japanese technology in high performance ceramics and the availability of critical raw materials which will be produced for the benefit of Newfoundland and Labrador.

This trading company also wishes to know more about a proposal by Wabush Mines to produce manganese as a by-product of their iron ore operation in Labrador. Prior to going to Japan, I had discussed this proposal with officials of Pickands Mather, and they welcomed the opportunity to have their proposed development made known to Japanese interests through our seminar.

Japanese industrial policy is currently undergoing a process of structural adjustment and, in this context, our thrust is being made at an opportune time. The high cost of energy in Japan is forcing the government to curtail production of energy intensive minerals and metals and to seek supplies of these commodities where they can be obtained at lower cost. Their overseas investment policies are described as being 'fully liberalized' and this liberalization can lead to investment in areas such as Newfoundland and Labrador, where there is an abundance of developed and yet to be developed hydroelectricity as well as energy intensive minerals which are required in Japan's enormous industrial complex. The nonferrous metal industries are of particular interest in the structural adjustment process. Specific reference was made by the Japanese to aluminum, silicon and zinc. They are also interested in uranium, coal and magnesium.

This Province already has a market in Japan for a relatively small

portion of the asbestos fibre produced at Baie Verte. An expert in the asbestos field, who is an advisor to Transpacific Resources, the parent company of Baie Verte Mines, accompanied the mission and reported to me on his findings. The mission provided numerous opportunities to make contact with companies and individuals with knowledge and experience in the Japanese market which, in contrast to the other Asian countries visited, is mature and sophisticated. In general, it is apparent that, to compete in this type of market, two factors must be considered. Firstly, the Japanese are exceptionally quality conscious and, secondly, there is considerable competition from other asbestos producers in Quebec, Russia, Brazil and Zimbabwe. Transpacific's representative observed that Baie Verte fibre has a potential to compete because of its quality and he hopes to increase Baie Verte's share in the asbestos-cement market. In addition, there appears to be a substantial market in specialty fields such as friction materials and roofing felt. As a result of the contacts made, Transpacific Resources intends to review all potential market opportunities with the staff of Baie Verte Mines with a view to increasing sales to Japan.

Newfoundland has been a supplier of phosphorus to the Nippon Chemical Industry Company in Japan since ERCO established its plant at Long Harbour in 1968. My visit to the Nippon complex at Taketoyo was the first ever made by a representative of our government and it was very much welcomed. I believe that such contact helps to enhance the position of this Province among the highly competitive producers who are

ving for this attractive market for phosphorus.

Iron ore is the principal mineral commodity exported from the Atlantic region of Canada to Japan, with all the current supply coming from Labrador. Long-term contracts have been the normal arrangement for such sales. The Iron Ore Company representative observed that the future appears stable for their continuation.

South Korea, like Japan, is a resource-deprived area which is making tremendous strides towards establishing a major industrial complex. This translates into a growing demand for minerals as well as other commodities. Further follow-up to our initial contacts there could open markets for mineral commodities sold in Japan as well as for other minerals from this Province. Again, as in the case of Japan, there is growing sophistication and concern about quality and reliability in the marketplace. Personal contacts and follow-up are required to develop the rapport that is necessary in establishing markets there.

The Baie Verte representative had an opportunity during the short stop in Korea to discuss with the staff of the Canadian Embassy the market for asbestos in that country. Although the relatively large asbestos-cement industry suffers from lack of hard currency, it is expected that the situation will change as exports continue to grow. The Embassy staff will undertake to identify individuals in the asbestos-cement industry and these will be contacted by Baie Verte Mines sales staff to explore sales opportunities as soon as possible.

Although Newfoundland is currently not a supplier of minerals to Hong Kong, not only are there possibilities for markets there but the Crown Colony is a gateway to China where there are definite opportunities.

As far as Hong Kong itself is concerned it is a very large consumer of portland cement and all of its supply is imported in the form of clinker. Currently, Japan and China are its suppliers. Cement clinker is an energy intensive mineral product. Newfoundland has a practically unlimited supply of portland cement raw material at tidewater on the West Coast which could support a world scale production facility. This is one of the opportunities which will be pursued.

The asbestos representative on the mission met with numerous individuals in Hong Kong who were familiar with the market and the political situation in China. His visit was particularly important because China is a market with a tremendous growth potential. Although it has significant reserves in hard currency, it lacks technology and the infrastructure to absorb and apply it. For this reason the marketing approach for China must be quite different. For example, for the huge construction projects planned there, the technology for building and operating asbestos-cement plants and the application of asbestos-cement products must be provided before a market for asbestos fibre can be created.

The IOCC representative had an opportunity to view the market prospects in China from the Hong Kong approach. He observed that possibilities exist for iron ore

sales in China and these might be accessed in conjunction with shipping schedules to Japan. He also observed that opportunities for technological transfer in the area of mineral resource exploration may offer joint venture opportunities for Newfoundland and Labrador based firms.

In conclusion, I believe that our mission has opened up many new avenues in a large and rapidly growing market. As we pursue with vigor the opportunities which present themselves, this Province will benefit greatly from new and expanded economic activity.

SOME HON. MEMBERS:
Hear, hear.

MR. SPEAKER (Russell):
Order, please! Before I continue I may need some guidance from the House. Being Private Members' Day, of course, our Standing Orders say that Question Period must commence not later than 3:30 p.m. except by leave. There was some discussion yesterday that we may waive Private Members' Day today so the Chair is not quite sure of what the procedure is going to be. I may need some guidance in that respect.

MR. MARSHALL:
Mr. Speaker.

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

MR. MARSHALL:
Mr. Speaker, I think the agreement has been that we will proceed to ordinary government business today instead of Private Members' Day. I hope this is agreeable to all members of the House. In which case, in the spirit of the times

there has been a statement that has consumed almost one half an hour and we would be interested in hearing what the Opposition have to say about the combined statements of the two ministers.

MR. SPEAKER (Russell):
So it is understood that we are going to waive Private Members' Day.

The hon. the Leader of the Opposition.

MR. BARRY:
My Lord - I am sorry, Mr. Speaker.

MR. MARSHALL:
The hon. member is advertising, Mr. Speaker.

MR. BARRY:
I have been in court all morning and I am confused with what form of address to use.

Mr. Speaker, it is all very interesting, you know, but I looked desperately throughout these entire statements to see the number of jobs that were going to be created. I believe that the 60,000 unemployed in this Province are not going to receive very much in the way of assurance once they read this.

MR. TULK:
They will not be dancing in the streets.

MR. BARRY:
I do not think there was very much delivered here today in a half an hour with two ministers making a presentation and there was not one concrete result set forth.

MR. NEARY:
They are suffering from jet lag.

MR. BARRY:

Now, Mr. Speaker, we know that there is a need to go out and make contacts and cast your bread upon the water to hopefully try and bring about some return eventually. But, Mr. Speaker, the minister has been doing this since 1979 and what have we seen?

MR. NEARY:

A lot of stamps on his passport, that is all.

MR. BARRY:

Yes, he has a passport that you can barely lift anymore for the number of stamps that have been put on it. But we have seen very little in terms of results. And my experience has been, Mr. Speaker, that the content of a statement is inversely proportional to the time it takes to give it. And I think we saw a good example of that today with one of the longest statements presented in the House by the Minister of Development (Mr. Windsor) with some of the smallest content.

Now, Mr. Speaker, one of the disappointments in this report is the indication by the two ministers that instead of their staying around for the tour of the port of Kushiro, which is probably the most relevant part of the trip in terms of looking at the potential for secondary processing in the fishing industry, we see the two ministers taking off to tour a major automobile factory and a steel foundry in Seoul. Now, Mr. Speaker, that is an indication of where the government's priorities are; they turned their back on the fishing industry, turned their back on what the potential might be to improve the fishing industry and learn from what the Japanese are doing, and head off to Seoul

because that is another country with some more interesting and exotic sites.

MR. NEARY:

Another stamp on his passport.

MR. BARRY:

And another stamp on his passport. I suspect, Mr. Speaker, that the real motivation for this statement was the very penetrating series of questions put by my colleague, the member for LaPoile (Mr. Neary) over the last several weeks. I think that that was the real motivating force behind this statement. It was not, Mr. Speaker, the content. There is nothing here, there is nothing in the way of results. The trip was completely without results. The statements do not deserve any more comment, Mr. Speaker. Let us get on with the real business of the Province.

MR. SPEAKER:

The hon. Minister of Finance.

DR. COLLINS:

Mr. Speaker, just a brief statement. I would like to inform the House that we have concluded a tentative collective bargaining agreement with the ferry service operators which is a division of NAPE, and that agreement is being promoted by the executive. The vote is in the process now as is just about completed.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

The hon. member for LaPoile.

MR. NEARY:

I do not know if this is in order or not, but the Minister of Social Services (Mr. Hickey) passed me over a Ministerial Statement. He

is not in his seat. Would it be all right for me to read it for him? He says he is pleased to announce -

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

Order, please! Order, please! I am sure by the very terminology, Ministerial Statements, they are to be given by ministers and not by any private member.

MR. NEARY:

Well, a point of order, Mr. Speaker.

MR. SPEAKER:

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

MR. NEARY:

Mr. Speaker, I would like to ask if the Minister of Social Services is going to announce today that comfort allowances has been increased to \$90 a month in all homes for special care and licenced boarding home recipients? Is the hon. gentleman going to make a Ministerial Statement today?

MR. SPEAKER:

Order, please! That can rightfully be asked in the Question Period.

MR. HICKEY:

A point of order, Mr. Speaker.

MR. SPEAKER:

The hon Minister of Social Services on a point of order.

MR. HICKEY:

It is too bad the hon. gentleman does not have the manners that I have. I understood there was an agreement and I consulted my colleagues and I was told that it

would be a breach of the agreement for me to make a Ministerial Statement. But that is what I get for giving the hon. gentleman a copy of my statement earlier. There is one thing, Mr. Speaker, I only make mistakes once.

MR. NEARY:

Anyway, the comfort allowance is going up to \$90 a month.

Oral Questions

MR. SPEAKER:

The hon. Leader of the Opposition.

MR. BARRY:

Mr. Speaker, I would like to have the Premier here for this statement. I do not know where he is today but I would address it to the Minister of Finance instead. Now we have seen that the minister has just announced that there is a settlement with the ferry operators, a very small branch of NAPE. Now I would like to ask the Minister of Finance whether the government is prepared to lift the wage freeze with respect to public employees? I understand that negotiations are underway with the NTA, the police, the hospital workers will be coming up, and the general service. Now, Mr. Speaker, would the Minister of Finance tell us whether they are going to negotiate in good faith, which will require something other than going to the bargaining table and saying, "Zero-zero is what you are getting," which is commonly known as bulwarkism.

AN HON. MEMBER:

What?

MR. BARRY:

Bulwarkism: You do not negotiate, you go in and tell the other side,

"This is it, take it or leave it." Now, Mr. Speaker, I would like to know is are the Minister of Finance (Dr. Collins) and this government, going to negotiate in good faith with these groups that are now coming up in the collective bargaining process, or are they going to continue to insist upon this zero-zero freeze.

MR. SPEAKER:

The hon. Minister of Finance.

DR. COLLINS:

Mr. Speaker, the Premier is occupied at the moment in his office but he will be up shortly. I just thought I would mention that in case there was doubt about it in view of the hon. Leader of the Opposition's opening remark there.

In regard to negotiations, Mr. Speaker, occasionally we have been accused of negotiating in bad faith. As a matter of fact I think there has been one, if not two court cases on the matter. In each instance the court cases did not succeed. In other words, there was absolutely no evidence brought forward that the negotiating posture taken by government was anything but in total good faith. We will continue to keep up that excellent record we have had throughout the years and I have no doubt that any spurious remarks to the contrary will be shown the derision and contempt that they deserve. We have great regard for the workers in the Public Service. We know that they often bring forward legitimate concerns and legitimate demands and we have absolutely no intention of regarding or treating their demands and concerns with anything but the greatest attention and to deal with them to the best of our ability.

Unfortunately, in financial terms our ability, especially in recent times with the recession and so on, our ability is somewhat limited. We felt that it would be not serving the best interests of our workers, whom we hold in such high regard, if we let them have expectations that just could not be satisfied, so we elected to tell the workers in a public and a private way as early as possible what was within our means and what was beyond our means. The vast majority of public workers have accepted that and I would have to emphasize that we have reached agreement with I think it is over twenty bargaining units comprising something over 20,000 public servant workers on the base of our restraint measures without a single strike, without a single work action as it is called, but what it means is a strike, on that score. So the workers in the Public Service are very knowledgeable about our financial resources, they are taking a very responsible attitude towards the Public Accounts and the Public Exchequer and we expect them to continue in the same way and in reciprocation to that we will certainly bargain in the best of faith as we always have done.

MR. BARRY:

A supplementary, Mr. Speaker.

MR. SPEAKER:

The hon. Leader of the Opposition, a supplementary.

MR. BARRY:

I think we saw an indication of the minister's attitude that because they have gone to court and won twice that is great, and we can see a continuation of court cases, while members try and establish some flexibility on the part of government.

Now, Mr. Speaker, I asked the minister a simple question: Are they or are they not going to insist upon zero-zero? And how can there be negotiation if they are going to insist upon zero-zero, take it or leave it, Mr. Speaker? And I would like to ask the minister whether he is aware that other provinces have lifted their wage freeze? And we have wage settlements with the public service ranging from - well, I guess the hon. minister and his government likes to model themselves after BC. They are the new Bill Bennetts, the Eastern Bill Bennetts. Even in BC, Mr. Speaker, there have been wage increases of 2 to 3 per cent as part of the public service settlement, and those are the lowest. They range from 2 to 3 per cent in BC, 2.5 to 3 per cent in Alberta, 3.6 per cent in Saskatchewan, 4.1 per cent in Ontario, 3.5 per cent in Quebec, 5 per cent in New Brunswick, 4.8 per cent in PEI and 3.3 per cent in Nova Scotia. Now, Mr. Speaker, the minister has said we have been able to get agreements in the past with the freeze in place. Fine, that was yesterday, that was last year. Is this going to go on forever? Are the public service employees going to be frozen in a position where they are falling further and further behind every year? Or is the minister going to do something, namely lift the freeze and go in and negotiate in good faith?

MR. SPEAKER (Russell):

The hon. Minister of Finance.

DR. COLLINS:

Mr. Speaker, when the freeze - and I might add that there were previous restraint measures prior to the putting in place of the freeze - was put in place the

Premier made a public statement and he also met with certain labour leaders in the Province, especially those who would be involved in the public sector. He at that time made a statement that the freeze would be there for two years unless there was significant improvement in our financial position as a government, and the implication would be that in that case there would be a review of the situation. There was a recent meeting with certain labour leaders on much the same subject and that position was again put before them and they understood quite well what we meant, i.e., that the freeze would go on for two years unless there was a significant improvement in our financial position as a government and in the economic conditions in the Province. And, of course, the quarterly report that I recently released showed that we have not yet reached that happy stage. We anticipate that this year will be somewhat better than last year economically in the Province but not to the stage of giving rise to a significant improvement in our financial position as a government. In regard to negotiating, Mr. Speaker, we have always said that we will keep in place the collective bargaining process, unlike some jurisdictions where they brought in restraint measures and eventually abandoned temporarily the collective bargaining process. We have not done that, we still have collective bargaining in place: we have said that we are quite willing to entertain bargaining in the non-monetary areas and there are many of those. Many items in contracts between government and its employees have nothing whatever, essentially, to do with wages. The workers in this Province have a legitimate concern

in those areas, and we said that we will do nothing to interfere with this ability to bring those concerns before us and that we will do what is in our power to meet those legitimate concerns. So we will continue with that bargaining process in that way but we have not at this point in time said that we will lift the freeze that our financial position has forced upon us.

MR. SPEAKER (Russell):

The hon. Leader of the Opposition on a supplementary.

MR. BARRY:

Would it be fair then, Mr. Speaker, for the people of Newfoundland to assume that if the freeze is lifted the week or two weeks before the next provincial election that this will be merely another cynical gambit by the minister and his colleagues in an attempt to buy their way back into power with the taxpayers' own dollars? Would it be fair to say that there is no prospect of the freeze being lifted this coming year? Or, Mr. Speaker, would the signing of an offshore agreement be sufficient in order to have government raise the freeze with respect to public service employees? Would this also be part of the next provincial election campaign? I am just making a few enquiries here, you know.

MR. SPEAKER (Russell):

The hon. Minister of Finance.

DR. COLLINS:

Mr. Speaker, if my memory serves me, this administration was elected into office I think in April, 1982, so under the constitution of the Province, and we go by the British tradition, I think our term runs at least until

April, 1987 and possibly until the Fall of 1987. So I would say that the likelihood of the freeze lasting up until, say, the Fall of 1987 is very small. It is a hypothetical question but I think I can assure the Leader of the Opposition (Mr. Barry) that before we have to have an election in this Province it is likely that the present freeze will be lifted in some fashion or form. In regard to the offshore agreement, we have to maintain -

MR. MARSHALL:

Ask the Leader of the Opposition (Mr. Barry) if he supports the offshore agreement.

DR. COLLINS:

The hon. Leader of the Opposition did not say whether he supports the present agreement. He seems to have a tremendous fear about it so I presume he must think that it has good aspects to it from the point of view of the fortunes of this administration but he did not say whether he supports it or not. Mr. Speaker, I think I must get in on this answering of questions. But anyway, in terms of the offshore agreement our financial position is related to our current expenditures and revenues. If the offshore agreement brings about a significant improvement in our revenues it could have an influence on the wage freeze; if it does not, or until it does bring about a significant improvement in its own right, I do not think that will make any difference to our keeping in place the freeze or not.

MR. NEARY

Mr. Speaker.

MR. SPEAKER (Russell):

The hon. member for LaPoile.

MR. NEARY:

Mr. Speaker, I wonder if the hon. Minister of Mines (Mr. Dawe) is coming back to answer a couple of questions? I had one for the Minister of Social Services (Mr. Hickey) and the Minister of Mines (Mr. Dawe) but I will go to the hon. gentleman who is responsible for wildlife. On 19 November the hon. gentleman made a statement that an extra-ordinary investigation was being made on the West Coast by wildlife officials. They were conducting an investigation into poaching of moose, I believe, in and around the Corner Brook area. Now could the hon. gentleman tell us if the investigation is complete, is finished and what the wildlife officials uncovered in that extra-ordinary investigation that the minister announced was taking place?

MR. SPEAKER (Russell):

The hon. Minister of Culture, Recreation and Youth.

MR. RIDEOUT:

Mr. Speaker, just let me say to the hon. gentleman at this point in time that the investigation is still continuing. As a matter of fact I had a briefing session with some of my officials only yesterday on that very matter. The investigation is still continuing. Staff of my department and the RCMP are involved. At the present time there have not been any charges laid but the investigation is still very active and still continuing.

MR. NEARY:

Mr. Speaker, a supplementary.

MR. SPEAKER (Russell):

The hon. member for LaPoile on a supplementary.

MR. NEARY:

I do not wish for the hon. gentleman to divulge the details of the investigation but it must involve something out of the ordinary. Are we talking about a large number of moose or caribou? Just precisely what is the nature of the investigation? I am not asking the hon. gentleman to give us the details, but what is the nature of it? It obviously must be something out of the ordinary when the hon. gentleman made a statement, a public announcement, that this investigation was not a routine investigation.

MR. SPEAKER:

The hon. Minister of Culture, Recreation and Youth.

MR. RIDEOUT:

Mr. Speaker, the hon. gentleman is correct, it is not an ordinary investigation because of the number involved. There were thirty-nine moose found within a very confined area of the West Coast and those moose had been snared. They were not shot, they were snared basically by using leg snares. The animals obviously went through a tremendous torture period because as hon. gentlemen may know, if you snare a moose around the neck it is one thing, that is bad enough, but if you catch a wild animal in a leg snare then it takes days and days, and sometimes even weeks, according to the advice I have had from my officials, for that animal to die. As a matter of fact some of the photographs which I presented to the public in that press conference I held in Corner Brook showed legs of the animals that were detached and left in the snare and the animals were gone. So it is an extra-ordinary investigation and it is a very extra-ordinary set of

circumstances. The hon. gentleman is correct and all I can say is the the investigation is still continuing and is very active.

MR. NEARY:
Mr. Speaker.

MR. SPEAKER (Russell):
A final supplementary by the hon. member for LaPoile.

MR. NEARY:
The hon. gentleman mentioned moose. I presume there were only moose involved, no caribou?

MR. RIDEOUT:
No.

MR. NEARY:
Mr. Speaker, could the hon. gentleman tell us if this is the first case of this sort of snaring moose in the Province? How widespread is this problem throughout Newfoundland and Labrador?

MR. SPEAKER (Russell):
The hon. the Minister of Culture, Recreation and Youth.

MR. RIDEOUT:
Well, Mr. Speaker, I suppose to attempt to answer that question in a definitive way would be kind of hypothetical. I do not know, and I do not have any advice as to how widespread it is. In this particular case we think it is an isolated incident. We think that there is a group or groups involved. We have evidence to suggest that there is probably selling of meat going on and that kind of thing. From my own personal knowledge, as an individual who was born and raised and grew up in rural Newfoundland, I suppose there have always been some incidents of poaching.

MR. NEARY:
No, I do not mean that, I mean using the snares.

MR. RIDEOUT:
I have never heard tell of leg snares, by the way, I can say to the hon. gentleman. I have heard and I have had the unfortunate experience myself of running into neck snares in the woods, and it is very frightening when you run into that cable just strung between a couple of trees. But I have never heard tell of leg snares. I do not know and I have no advice whether it is widespread. We do not think it is. We think it is just an isolated incident in a particular part of the Province. But let me say, Mr. Speaker, we are very, very concerned about it and we have made an appeal to the general public on the West Coast to help us out in our investigation. And I must say as minister I am very pleased with the response that we have gotten from the citizens of the West Coast.

And the other part of it is that the ordinary individual out there in those management areas, unless we can find and prosecute and stop this kind of thing, then it is going to have an impact on the number of licences that might be available to the ordinary individual who lives in that part of the Province.

MR. NEARY:
Were any of the moose alive when they found them?

MR. RIDEOUT:
The last couple we found were alive, yes.

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

MR. WARREN:

Mr. Speaker, I have a question for the Minister of Education (Ms. Verge). I would like to ask the Minister of Education is it a policy in her department to impose a fee on all Level 3000 courses offered in high schools throughout the Province?

MR. SPEAKER (Russell):

The hon. the Minister of Education.

MS VERGE:

Mr. Speaker, there is no such policy. This government provides educational programmes from kindergarten through Grade XII for all students without a tuition charge. However, for Level 3000 courses in the new senior high school programme, public examinations are required, and there is a fee charged for those public examinations in the same way as previously there was a fee charged to students for Grade XI public examinations and before that, when many of us went to school, there was a fee charged for what was then called the CHE exams.

MR. WARREN:

A supplementary, Mr. Speaker.

MR. SPEAKER:

A supplementary, the hon. the member for Torngat Mountains.

MR. WARREN:

Mr. Speaker, there was a \$5 fee previously but now I think for Level 3000 courses students are required to pay a fee of \$24. Can the minister confirm if that is correct or not?

MR. SPEAKER (Russell):

The hon. the Minister of Education.

MS VERGE:

Mr. Speaker, I cannot recall

offhand what the public examination fee is. However, I can take that as notice and provide the information.

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER (Russell):

Order, please!

MS VERGE:

Mr. Speaker, I will have to take as notice the matter of how much the fee is for public examinations. I cannot recall offhand.

MR. WARREN:

Mr. Speaker, a supplementary.

MR. SPEAKER (Russell):

The hon. member for Torngat Mountains, a supplementary.

MR. WARREN:

Mr. Speaker, a final supplementary to the minister. Why would the minister's department to institute a \$24 fee on Level 3000 courses when these exams are corrected by teachers in the school in the school year? The exams are not sent to an examination board. They are administered and corrected by the students own teachers in their own classrooms. So why would there be a \$24 fee charged to the students? I think there is something wrong.

MR. SPEAKER:

The hon. the Minister of Education.

MS VERGE:

Mr. Speaker, well, first of all, I do not think the public examination fee for one public examination is anything like \$24. I will have to check to give the House the exact amount. And, secondly, public examinations, by definition, are set by the

Department of Education and corrected away from the school by a panel of markers who are employed by the Department of Education. Under the system of evaluation for Level 3000 courses, the public exam counts for half of the final mark and the other half of the mark is determined by in-school evaluation and conducted throughout the school year by the teachers who are dealing directly with the students.

MR. SPEAKER (Russell):

The hon. the member for Menihek.

MR. FENWICK:

Thank you, Mr. Speaker.

My question is going to sound a little bit repetitious, but I have been having a hard time getting a straight answer, and I was hoping the Premier would be in the House today because I wanted to direct it specifically to him. Over the last couple of days we have been arguing about whether or not the PC proposal on offshore oil is better or worse than the Liberal one. And on Monday the Premier, in replying to the member for LaPoile (Mr. Neary) said, and I quote from Hansard, 'I will invite the hon. member to come to my office tomorrow morning at nine o'clock so I can show him the final documents from the Liberal Government in Ottawa and the documents that we have from the PC Government in Ottawa.'

MR. MARSHALL:

Would you repeat the last words?

MR. FENWICK:

Okay, I will repeat it: 'So I can show him the final documents from the Liberal Government in Ottawa and the documents that we have from the PC Government in Ottawa'. Now since then I have

repeatedly requested the Premier's office and the House Leader's office for access to that particular document, and all I have received is a letter from the federal Leader of the Opposition (Mr. Mulroney) dated back in June of this year. My question to the House Leader (Mr. Marshall) since we have already discussed this today, is his decision not to allow me access to that particular document the final word or is the Premier still running the Province around here?

MR. SPEAKER (Russell):

The hon. the President of the Council.

MR. NEARY:

We will give you all the Liberal material.

MR. FENWICK:

I have it.

MR. MARSHALL:

Mr. Speaker, the problem is what is the final document? Now when the hon. Premier said he would give the document, I think he sent to the hon. gentleman's office, as he sent to everybody's, as a matter of fact everybody in Newfoundland saw the letter the member referred to during the last federal election and it had a very marked affect on the results. Can you imagine the effect the final agreement is going to have on the next election?

But, Mr. Speaker, what he sent to the hon. gentleman was the letter of June 14, signed by Mr. Mulroney, which represents an undertaking that when the then Leader of the Opposition, who is now the Prime Minister of Canada, formed the government, he would enter into an agreement on these various points. Now since then we

have entered into negotiations with the federal government for the purpose of putting into formal form that particular agreement. I think it was Mrs. Carney who indicated in an interview that last week we reviewed a document which contains some sixty-two clauses, and we agreed in principle that there had to be certain changes and modifications and what have you, and whether it washes out at seventy-two clauses or sixty-five clauses or sixty-one or sixty-two clauses.

So I think the hon. gentleman would realize that it would not be appropriate to table at the present time the document that Mrs. Carney and I were discussing the other day because there have to be certain refinements to it and that is going to be the purpose of the negotiations. So it is an intergovernmental document in the process of negotiation. But this I will give the hon. gentleman an undertaking on: When the document is signed, which we expect to be sooner than later, which will give effect to the agreement of June 14, which will give Newfoundland the same rights to establish and collect taxes as Alberta, to give Newfoundland the same rights to develop the resource offshore as Alberta onshore, to give us an equal say in management, which will give us the right to determine the mode of development, which will make reference to equalization payments and local benefits and all the other beneficial things that are contained in that agreement, the hon. gentleman, as well as all the populace of Newfoundland, will get it. But, in the meantime, obviously I do not think the hon. gentleman should expect to receive the agreement that is subject to

discussion at the present time because there probably will be modifications to it until the final agreement is signed. In the meantime, if he looks at the letter of June 14 that he has a copy of, he will get a preview of what that agreement contains. It is really something for the people of Newfoundland. And I do not know whether the hon. gentleman sent anything to the hon. member for Menihek (Mr. Fenwick) as to the Liberal position, but if the hon. the Premier sent nothing to the hon. gentleman as to the Liberal position prior to the change of government, it would have been an exact indication of what the Liberal Government offered us. It was nothing, certainly next to nothing.

SOME HON. MEMBERS:

Hear, hear!

MR. FENWICK:

A supplementary, Mr. Speaker.

MR. SPEAKER (Russell):

A supplementary the hon. the member for Menihek.

MR. FENWICK:

If the government is not willing to either give me a copy of the document or to table a copy of the document, then is the government willing to do the minimum that the Premier outlined in Monday's statement when he said 'so that I can show him the final documents from the Liberal government in Ottawa and the documents we have from the PC government in Ottawa'? There was no PC government last June. It has got to be the PC documents that we have and it is the latest ones. All I wish to do is go and have a look at them.

MR. MARSHALL:

Mr. Speaker.

MR. SPEAKER (Russell):

The hon. the President of the Council.

MR. MARSHALL:

Mr. Speaker, what the hon. the Premier was referring to when he referred to the final document was really the letter of June 14 which was given.

MR. FENWICK:

There was no PC government then.

MR. MARSHALL:

You know, that really is the final document because the Prime Minister of Canada is a man of his word, the Premier is a man of his word, and that particular letter and the acceptance of it are going to really embody the agreement itself. The agreement has been expanded to incorporate certain technicalities and certain other details that are necessary to give full and complete effect to that letter of June 14. So when the hon. gentleman said he would show them the final document, in effect he showed them the final document when he showed him that particular letter. In the meantime, I do not think the hon. gentleman, if he really reflects on it, would seriously expect me to give to him that document that formed the basis of the discussions and has formed the basis of the discussions because the finalization of the terms are presently under discussion. Obviously you do not negotiate in public, but this government will be very happy to give to the hon. gentleman, and all residents of Newfoundland, the final document when it is signed and when we can show to the people of Newfoundland that we have at last a document that is going to give us the same

rights to those resources as Alberta has to its resources.

MR. NEARY:

Mr. Speaker.

MR. SPEAKER (Russell):

The hon. the member for LaPoile.

MR. NEARY:

I have a couple of questions for the Minister of Social Services. I realize time is running out so I am going to have to ask him two or three questions piled into one. The hon. gentleman made a statement, believe on August 9, that he had received the report of the advisory board on day-care services in the Province, violence against women and teenage pregnancies. I believe the report indicated that with teenage pregnancies Newfoundland has the highest incidence across Canada. I am not going to ask the hon. gentleman the cause of teenage pregnancy being the highest in Canada.

MR. YOUNG:

It is the birds and the bees.

MR. BARRY:

It is the lack of work.

MR. NEARY:

Mr. Speaker, could the hon. gentleman tell the House if his department has had time to study this report and what action has been taken on the report involving these three important areas, day-care services, violence against women and teenage pregnancy in this Province?

MR. HICKEY:

Mr. Speaker.

MR. SPEAKER (Russell):

The hon. the Minister of Social Services.

MR. HICKEY:

Mr. Speaker, I do not recall making the statement that I had received the report that the hon. gentleman refers to.

MR. NEARY:

Maybe it was the Minister of Justice (Mr. Ottenheimer).

MR. HICKEY:

However, I am aware that there has been a considerable amount of work done in the three areas that he refers to. In terms of day care services and homemaker services, that one division, there is something in the order of fourteen different committees functioning. There are committees within the department involving the community in all three sectors that he refers to, in terms of day care, in terms of violence against women and in terms of teenage pregnancies. I have not received a final assessment on those issues that he refers to from my staff. The best I can tell him, Mr. Speaker, is that there is an allegation that this Province unfortunately has the highest incidence of teenage pregnancies in Canada. I am not confirming that as being an accurate statement. I will say that if it is not the highest, certainly it is among the highest. As regards to what we are doing about it, he said he did not want to get into the cause, but there are a number of causes for it, I suppose. Certainly one is sex education within the school system. That is an issue which has prompted a great deal of discussion over the years but no single factor, as I recall, has been pinpointed as to the cause. The only thing I can tell the hon. gentleman is when I get a final report from my officials I will be happy to convey to him the findings and

whatever information I can supply at that time.

MR. SPEAKER (Russell):

The time for the Question Period has expired.

Answers to Questions for which
Notice has been Given

MS VERGE:

Mr. Speaker.

MR. SPEAKER (Russell):

The hon. the Minister of Education.

MS VERGE:

Mr. Speaker, I now have the answer to the question directed to me earlier this afternoon by the member for Torngat Mountains (Mr. Warren). The current fee for one public examination is three dollars. Twenty-four dollars may be the approximate total students have to pay for all the public examinations they do over the course of their senior high school programme on average. Twenty-four dollars would be the total for eight courses.

Orders of the Day

MR. MARSHALL:

Mr. Speaker, I move the House into Committee of the Whole on Supply and at this time also ask that this Committee be also resolved for the purpose of considering the bills that are there in Committee stage.

MR. SPEAKER (Russell):

Is it agreed to move the House into Committee on Motion 3, Supplementary Supply, and other bills that are on the Order Paper for Committee stage?

MR. NEARY:
Mr. Speaker.

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

MR. NEARY:
Mr. Speaker, I do not understand what the procedure is now because how can you go into Committee of the Whole on Supply and do bills at the same time? Are you asking leave to do it?

MR. MARSHALL:
Perhaps I should not have done it because I gave the hon. gentleman a tool the next time, if he is here the next time, to get up and object, but Committee of the Whole is Committee of the Whole. I just wanted to say we will go into Committee of the Whole, we will consider Supply, and with the consent of the House if that is necessary - and that is a big if - we will consider items 3 to 6 so we do not have to raise the Committee.

MR. NEARY:
Are you asking leave?

MR. MARSHALL:
I am supplicantly and humbly asking leave.

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

Committee of the Whole

MR. CHAIRMAN (Aylward):
Order, please!

I understand we are doing Supplementary Supply, Motion 3.

I understand that we are going with the ten minute rule the same as Standing Order 118. Agreed?

SOME HON. MEMBERS:
Agreed.

MR. CHAIRMAN:
It has been agreed.

The hon. the member for Torngat Mountains.

MR. WARREN:
Mr. Chairman, I may be a little out of order, but since we may only be here a few more hours or a few more days, I have two copies of a book entitled A Word In Time and I have been asked by the author, Mr. Ronald Clarke, who, incidentally, was born in Chance Cove, Trinity Bay, my hometown, if I would kindly present a copy to the Premier and to the Leader of the Opposition (Mr. Barry), so if the Pages would be kind enough to pass them along.

SOME HON. MEMBERS:
Hear, hear.

MR. WARREN:
Mr. Chairman, it is a very worthwhile book, very interesting and very educational.

MR. CHAIRMAN:
We are on Bill No. 34 and the resolution pertaining to Bill No. 34, "An Act For Granting To Her Majesty Certain Sums Of Money For Defraying Certain Expenses Of The Public Service For The Financial Year Ending The Thirty-First Day Of March One Thousand Nine Hundred And Eighty-Four And For Other Purposes Relating To The Public Service".

Resolution

"Be it resolved by the House of Assembly in Legislative Session convened, as follows: That it is expedient to introduce a measure to provide for the granting to Her Majesty for defraying certain expenses of the Public Service for the financial year ending the 31st day of March, 1984, the sum of one hundred and thirty-four million six hundred and fifty-one thousand seven hundred dollars (\$134,651,700).

MR. NEARY:

Will we ever have a budget again?

MR. MARSHALL:

Mr. Chairman.

MR. CHAIRMAN (Aylward):

Order, please! The hon. the President of the council.

MR. MARSHALL:

Mr. Chairman, I want to point out that the last time I heard people talking about whether we would have a budget it was Mr. Stirling, I believe, and not Mr. Geoffrey Stirling but Mr. Len Stirling. Mr. Chairman, what happened was there was a budget and the hon. gentleman evaporated. Now the hon. the Leader of the Opposition (Mr. Barry), significantly enough, asked the same question today but when I asked him he did not want to repeat it so he got the previous leader to ask it, so we are going to get rid of both of them this time, Mr. Chairman.

MR. NEARY:

Wishful thinking.

Motion, that the Committee report having passed the resolution and a bill consequent thereto, without amendment, carried.

MR. MARSHALL:

Order 3.

A bill, "An Act To Provide For The Calling Of Tenders For The Execution Of Public Works And The Acquisition Of Goods And Services By Government Funded Bodies". (Bill No. 40).

On motion, Clause 1, carried.

MR. CHAIRMAN (Aylward):

Shall Clause 2 carry?

MR. MARSHALL:

Mr. Chairman.

MR. CHAIRMAN:

The hon. the Leader of the Opposition.

MR. MARSHALL:

Mr. Chairman, there are certain amendments. Have the hon. members opposite received them?

SOME HON. MEMBERS:

No.

MR. MARSHALL:

They are all fairly simple. The Clerk has gone to get them. I regret this. They should have all been circulated before.

Paragraph (h) of Clause 2 of Bill No. 40 is to be deleted and the following substituted: "Services" do not include legal, engineering, architectural, accounting, land surveying, banking or insurance services or other services that provide the opinion of a professional'.

MR. BARRY:

Land surveying, banking -

MR. MARSHALL:

No, legal, engineering, architectural, accounting, land surveying, banking or insurance services.

MR. NEARY:

How do you manage that, through a fee for service or what?

MR. MARSHALL:

The reason for the exemption of this type of service that this type of service happens to be of a nature where it is subjective rather than an objective judgment mainly as to the quality of the services themselves. So, you know, it was provided in the bill itself. The only addition to the numbers that were provided or the wording that was provided when the bill was put to second reading are the words, 'land surveying'. We have added land surveyors as well as banking and insurance services.

MR. BARRY:

To that amendment, Mr. Chairman.

MR. CHAIRMAN (Aylward):

The hon. the Leader of the Opposition.

MR. BARRY:

Mr. Chairman, I would like to mention to the minister that I have had at least one architect come into me and indicate that he has not had a government job and he has not provided a service on a government project since 1969 or 1970.

MR. NEARY:

Probably since January 18, 1972.

MR. BARRY:

Now this person is doing fine work in the private sector. He has had commissions by private individuals and he has performed and they are still looking for his services in the private sector but somehow he is unable to make it to any project in which government is involved. I would like to ask the minister: Is there a black list, whether because of partisan politics or whether because of

other reasons, on the part of the Department of Public Works? maybe the Minister of Public Works (Mr. Young) can answer that? Why is it that we have this particular architect unable to get a job, a commission from government? And how many others do we have who have not been able to provide services? Would the minister tell us whether there is any policy with respect to moving the work around or is the work allocated to certain specified individuals on all occasions? Do they have a preferred list?

MR. CHAIRMAN (Aylward):

The hon. the Minister of Public Works.

MR. YOUNG:

Mr. Chairman, we have no preferred list, we have no black-list. The Department of Public Works cannot give work to every architect in the Province. We have a committee which asks for proposals, and the proposals are recommended and the people are recommended so I say we cannot call tenders for architect work, but if the committee feels they are qualified to do the work they usually get the tender. We also try to share it out by areas. We usually try to get an architect in Corner Brook, St. John's or wherever they are located.

MR. TULK:

Go on! You are dishing it out to your buddies!

MR. YOUNG:

I would say if the hon. gentleman has any hint that there is a black-list or any list in the Department of Public Works, I would like for him to pass it along to me.

MR. CHAIRMAN (Aylward):

The hon. the Leader of the Opposition.

MR. BARRY:

I will see if this individual wants his name used and if so I will pass it on to the minister.

I wonder if the minister could indicate just how many architects have been used over the last five years and how many have not? There are not that many architects' firms in the Province, and I would like to know whether the work, in fact, has been shared around. Have all of these firms gotten work from government or are there firms that have not gotten work?

MR. CHAIRMAN (Aylward):

The hon. the Minister of Public Works.

MR. YOUNG:

Mr. Chairman, I could not say that every firm in the Province has gotten work from the Department of Public Works because naturally -

MR. TULK:

That is for sure!

MR. YOUNG:

- they must get it from the private sector and elsewhere. There is some work done that the Department of Public Works has nothing to do with. I mean, there are other departments. But I am sure I can give the hon. gentleman a list of all the work done. I do not know if it is in the annual report of the Department of Public Works, but I would gladly supply the hon. gentleman with the names of architects, and we do publish all of the tenders that have been awarded. I feel sure it would be no trouble for me to get it.

MR. TULK:

So it is a monopoly.
monopoly.

MR. YOUNG:

Nobody has a monopoly in the Department of Public Works, Sir.

MR. CHAIRMAN (Aylward):

Shall the amendment carry?
Carried.

Shall Clause 2, as amended, carry? Carried.

Shall Clause 3 carry?

MR. BARRY:

Not too fast now, Mr. Chairman!

MR. MARSHALL:

On Clause 3.

On Clause 3, the hon. the President of the Council.

MR. MARSHALL:

I will explain this amendment because I realize the hon. gentleman just received it.

Subclause (3) of Clause 3 of the bill I propose be amended by adding after the words "that this Act does apply" the words "and tenders are required". Subclause three would then read: 'In relation to such prescribed goods and services that are of such a nature that in the normal course of events they are tendered for less than five thousand dollars, the Lieutenant-Governor in Council may prescribe that this Act does apply and tenders are required, notwithstanding paragraph (a) of subsection (2).' It was just the omission of the words 'and tenders are required', because to say that the act applies, as the Lieutenant-Governor in Council intends to do in the regulations, certain classes of services and goods below \$3,000, we felt it

should be elaborated to put in the words 'and tenders are required' to make sure that tenders will be required in those instances.

MR. CHAIRMAN (Aylward):
Shall the amendment carry?

MR. BARRY:
Mr. Chairman.

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

MR. BARRY:
With respect to Section 3, this is one of the areas where, I would submit to the minister, too much discretion -

MR. NEARY:
Right on!

MR. BARRY:
- is being set out. Section 3 (b) states: "where the estimated cost of the work or acquisition is equal to or less than thirty thousand dollars, and it appears to the head of the government funded body that in view of the nature of the work or acquisition it is not advisable to invite tenders." Now, I would submit, Mr. Chairman, that we are seeing the bureaucrats get their way. They have regularly been fighting a rearguard action with respect to public tendering, the engineers and so forth, of Public Works. They just want to get the job done as quickly as possible, as efficiently, they think, as possible, and they do not hold too much with all this nonsense of public tendering.

DR. COLLINS:
There is an expense, though, to the tendering process.

MR. BARRY:

Yes, sure there is an expense to the tendering process. But this gives a very large gap, a gap big enough to drive a truck through here, and I think that the Government House Leader (Mr. Marshall) has been worn down by the bureaucrats, they have finally gotten to him, and the pride and joy of his political existence, the Public Tendering Act, has been emasculated, neutered, Mr. Chairman. And right through, I think there are about eleven or twelve places, we have this type of discretion, wide, wide discretion now given. And we all know, Mr. Chairman, when we have discretion, it can be exercised either for the right reasons or for the wrong reasons, and it is often very hard to tell, it often goes unnoticed, what the real reason is. So I do not think we can support that particular clause in the Public Tendering Act, Mr. Chairman, and we would suggest that that clause be deleted. I so move, seconded by the member for LaPoile (Mr. Neary).

MR. MARSHALL:
Well, there is already an amendment that has to be dealt with first, I think, Mr. Chairman.

MR. BARRY:
Well, we will deal with that, and then we will deal with the other.

MR. MARSHALL:
Mr. Chairman.

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

MR. MARSHALL:
I would say the way to deal with it is for the hon. gentleman to vote against the amendment. But, just a few words with respect to what the hon. gentleman says:

There is a certain limit where it is impractical to call tenders.

SOME HON. MEMBERS:

Oh, oh!

MR. MARSHALL:

Five thousand dollars is the amount that has been set but, as far as the government is concerned, in instances where it is practical below that level, we are going to make regulations to apply it to the broadest extent possible.

MR. NEARY:

Oh, yes.

MR. MARSHALL:

Now, the hon. gentleman was a member of this administration at one particular time. The hon. gentleman has still to explain satisfactorily why he is on the other side of the House, but certainly not one of the statements of his reasons for crossing the House was the way in which the public tendering system was operated by this government. And rather than the Public Tendering Act being emasculated by this bill, Mr. Chairman, despite the fact that I drafted the other one and, you know, pride requires me to say that the other one should be better than anything that occurred in the world, there is the possibility of a certain amount of improvement. And we had a Commission that reported. We had the Mahoney Commission - not the Mahoney Commission, I will call it the Royal Commission. The Royal Commission reported. We have implemented every one - I think the hon. the minister would agree - every one of the recommendations. And this is a strengthening of the act. I will not get on to the spurious reason why the hon. gentleman crossed the

House, but certainly he did not cross the House on the basis of the public tender practice. I would think he would have to give us the credit that what we are doing and what we have done in government, and we will continue to do in the future, is to strengthen the public tender process in this Province. The hon. gentleman in yawning. I can understand the hon. gentleman yawning because he, contrasted with the Leader of the Opposition (Mr. Barry), did not put a whole lot of credence in the public tendering system.

Really, what this particular amendment does, Mr. Chairman, and what it is going to do is it is going to immeasurably strengthen the public tender system. It is going to give the Cabinet the right, which it will do in cases where it is necessary under \$5,000, and we will apply that to the broadest extent possible; but the reason for doing it by Order in Council is that it would be impractical otherwise. You have to have a certain limit, and the limit is the exception, but we are not going to let the exception be the rule.

MR. YOUNG:

Mr. Chairman.

MR. CHAIRMAN (Aylward):

The hon. the Minister of Public Works.

MR. YOUNG:

This clause, 3 (b), Mr. Chairman: In 1974 when the tender was called

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MR. NEARY:

What about when they start doing it in yen?

MR. YOUNG:

No.

Mr. Chairman, what I am saying is we have checked in all the other provinces. In the old act in 1974 it was \$15,000; today, in 1984, \$30,000 is much less than it was then, Sir, and that is why this clause is being amended.

AN HON. MEMBER:
(Inaudible).

MR. CHAIRMAN:
Order, please!

Shall the amendment to Clause 3 carry?

All in favour 'Aye'.

SOME HON. MEMBERS:
Aye.

MR. CHAIRMAN (Aylward):
Contrary, 'Nay'.

SOME HON. MEMBERS:
Nay.

MR. CHAIRMAN:
The 'Ayes' have it.

Shall Clause 3 as amended carry?

All those in favour, 'Aye'.

SOME HON. MEMBERS:
Aye.

MR. CHAIRMAN:
Contrary, 'Nay'.

SOME HON. MEMBERS:
Nay.

MR. CHAIRMAN:
In my opinion, the 'ayes' have it.

Shall Clause 4 carry?

The hon. Leader of the Opposition on Clause 4.

MR. BARRY:

We have the same clause here in 4(b) being applied to rental space; where the space is equal to less than \$30,000 in value there is a discretion given. That, again, is a big loophole, a big gap in the Act, and it is being gutted, Mr. Chairman.

MR. NEARY:

There is no Public Tendering Act anymore Mr. Chairman.

MR. BARRY

What we are seeing, Mr. Chairman, is the erosion away of the principles which these hon. members opposite were supposedly fighting for, especially the Government House Leader (Mr. Marshall), and I must say it is an example of power corrupting. In a way, I suppose, we should be delighted to see this loss of principle because it is what happens whenever there is a dying administration, that is exactly what you see. In the dying days of an administration, all the fine principles which it held when it initially went into power all start to be eroded away. And hon. members stand up and they give all sorts of wonderful reasons and excuses for it, pious reasons, all sorts of logic and the changing value of the dollar and so forth. Mr. Chairman, what it boils down to is that the Public Tenders Act is no more, the Public Tenders Act as drafted by the Government House Leader, the member for St. John's East. When these amendments go through the Public Tenders Act is no more. We are back to the wild and woolly days, Mr. Chairman, of government patronage and pork barreling.

MR. CHAIRMAN (Aylward):

The hon. Minister of Public Works.

MR. YOUNG:

There again, Mr. Chairman, the Public Tender Act will be around after the next election but the hon. member probably will not. Mr. Chairman, we call tenders for all space over 1000 square feet or \$5000. We have been doing that since the Mahoney Report. Mr. Chairman, if we need space and call tenders, today space downtown or anywhere in St. John's is \$18.00 to \$23.00 a square foot.

MR. NEARY:

Yes, provided you are a PC.

MR. CHAIRMAN:

Order, please!

MR. YOUNG:

In 1974 it was \$7.50 to \$9.00, good space. The space we got in Atlantic Place down there was \$11.50 and today if you want space downtown or anywhere in St. John's it is \$18.00 to \$23.00 a square foot.

MR. NEARY:

Tell us about the Murray Premises.

MR. YOUNG

But what this does for us, Mr. Chairman, is not watering down the Act at all. If a department is down in a certain office space and they want to expand, want 1500 square feet or 2000 square feet of space, we can go and negotiate with that landlord to extend another 2000 feet up to \$30,000. If we go by the Act, we would have one part of the department down on Water Street and the other part probably on Topsail Road. So that is all we are doing, Mr. Chairman, trying to save money for the taxpayers.

MR. CHAIRMAN (Aylward):

The hon. President of the Council.

MR. MARSHALL:

I want to point out again that the hon. Leader of the Opposition (Mr. Barry) supported this type of legislation. He did not cross the House because of the tendering practices.

MR. BARRY:

I supported a real Public Tenders Act.

MR. MARSHALL:

He crossed the House, but I am not going to talk about that at this late time, I will reserce that when I refer to his demise from the political scene in the House in the future. All I will say is that the previous act did not cover rental space at all. The hon. gentleman did not point out that the previous act did not cover rental space as such, and it provided a way in which those who wished to twist around the act before, unfortunately, twisted it around. So this is a recommendation of the Mahoney Commission to include rented space and it is an inclusion of rental space within the bounds of practicality. It is an excellent provision and one that I cannot understand any hon. gentlemen voting against.

MR. CHAIRMAN (Aylward):

Order, please! The hon. Leader of the Opposition.

MR. BARRY:

I would like to ask the Minister of Public Works (Mr. Young) if he could indicate to the House the number of thousands of square feet of office space that is presently being taken up by government downtown that will be lost to the private sector when the new building, across the way here, opens. Does the minister have any indication of (a) the number of

thousands of square feet? (b) what government is paying for that now, and, (c) any idea of what impact that is likely to have on the few businesses that are still hanging on by their fingernails because of the economic recession, because of the desperate state of the economy that is to a large part due to hon. members opposite? Is this going to be the final straw that is going to send dozens of additional businesses under? Does the minister have any idea at all?

MR. CHAIRMAN (Aylward):

The hon. Minister of Public Works.

MR. YOUNG:

Mr. Chairman, I do not think it is going to put anyone under or anything like that. I tabled in the House last year, I think, every inch of space that we lease in the Province. If the hon. member wants to go and find out how much is downtown and stuff like that, he can go and do it. I can probably get it but it will take time and cost money to get how much space is downtown. It is all in this but I do not know how much it is.

MR. BARRY:

So you have no idea what it is going to do to the private sector? You have no idea? You do not care?

MR. CHAIRMAN (Aylward):

Order, please!

The hon member for LaPoile.

MR. NEARY:

Could the hon. gentleman tell the House how many contracts will have to be broken and what will that cost the public treasury if they have to break contracts to move offices into the new building? How many contracts will they have

to break?

MR. CHAIRMAN:

The hon. Minister of Public Works.

MR. YOUNG:

None, Mr. Chairman. We will be breaking none. It will be all geared with the rental spaces. Most of our rental space is from three years plus two or five years plus three, and at Atlantic Place we are on that scale now. We are on the five years plus three optional and we are working on the optional in most of the St. John's rentals now.

On motion, Clause 4, carried.

MR. CHAIRMAN (Aylward):

Shall Clause 5 carry?

MR. BARRY:

Mr. Chairman.

MR. CHAIRMAN:

The hon. Leader of the Opposition.

MR. BARRY:

In 5(b) and 5(c), 'In the case of a contract of a value equal to or greater than one hundred thousand dollars but less than five hundred thousand dollars, a change order or extension does not exceed the value of fifteen thousand dollars or ten per cent of the value of the original tender, whichever is greater; (e) in the case of a contract of a value equal to or greater than five hundred thousand, a change order or extension does not exceed the value of fifty thousand or five per cent of the value of the original contract, whichever is greater.'

I mean, it is unlimited, 'whichever is greater,' or 'does not exceed 5 per cent of the value of the contract.' Well, that 5

per cent of the value of the contract could be millions of dollars we are talking we are talking about here.

MR. MARSHALL:

It is all in relation to the amount involved.

MR. BARRY:

Yes, it is all in relation to the amount involved. Now, Mr. Chairman, we go on record as being opposed to this third section which has the effect of gutting the bill. The bill has a fine objective, but, Mr. Chairman, the amendments that are being proposed are watering down to the extent of gutting the original Public Tenders Act which has done yeoman service in this Province. Mr. Chairman, we are seeing government falling back to the bad old days of giving themselves as much discretion as possible, and that discretion, Mr. Chairman, you can be sure is going to be abused. If the discretion is there it will be abused.

MR. CHAIRMAN (Aylward):

Order, please!

The hon. President of the Council.

MR. MARSHALL:

I must respond, Mr. Chairman. That is not so, there is a limitation. When you have a contract for millions of dollars, there are sometimes very legitimately, cases where change orders have to be issued to extend the contract for some extra work that was not contemplated, or extra cost. You have to be practical about it and you do it in relation to the value of the contract. So it is \$50,000 or 5 per cent, so there is a limit on it. If it is \$1 million, 5 per cent of \$1 million is \$50,000, if

it is \$2 million it is \$100,000. So it is all in relation to the contract and it is done in accordance with the recommendations of the Mahoney Commission, and it is done in relation to practicality.

MR. NEARY:

You are now cannibalizing the act.

MR. MARSHALL:

No, we are not cannibalizing the act. What we are doing is we are making the act even stronger than it was before because practice had shown that there were ways in which loopholes could be found. The hon. gentleman there opposite was the first one on the other side of the House, with a former, former member - I do not even want to mention his name, Mr. Chairman - with another member of this House who has since been defeated in federal politics, let us put it that way, who used to talk day after day with the hon. gentleman about loopholes in the act. This was a recommendation of the Mahoney Commission and it is a reasonable one, Mr. Chairman.

MR. BARRY:

This was Roger, I guess, is it?

AN HON. MEMBER:

Yes.

MR. CHAIRMAN (Aylward):

Order, please!

On motion Clause 5 carried.

MR. CHAIRMAN (Aylward):

Shall Clause 6 carry?

MR. BARRY:

Mr. Chairman, Clause 6.

MR. CHAIRMAN:

The hon. Leader of the Opposition, on Clause 6.

MR. BARRY:

It is the same problem here where the cost is expected to increase. Again we have the same approach to budgeting on the job as they have with respect to the government's budget, Mr. Chairman, no control over cost where it is expected to increase by more than 10 per cent. Well, if it is expected to increase, why do they not have the right place in the first place? 'Where a contract is awarded for a public work in unit prices, and the cost of the public work is expected to increase by more than ten percent of the original value of the contract by reason of a variation in quantity from those estimated in the contract, approval of the head of the government funded body is required before the increase cost may be incurred.'

Now again this is a loophole and you can have a situation where they can deliberately underestimate and then permit increases subsequently, Mr. Chairman. This is another dangerous section.

MR. CHAIRMAN:

The hon. the President of the Council.

MR. MARSHALL:

Mr. Chairman, the hon. gentleman is reading properly what really is intended here. This will be in the case, for instance, of roads, where there has to be an extension of a road for an extra length, but you can only go up to 10 per cent. And then there are safeguards here. In the case of a government funded body, it has to report it to the government, and in the case of a department, it has to be reported to Treasury Board. Again it is a section that makes the Public Tender Act

practical as we move to decrease the opportunity for abuse of public tenders in the Province.

MR. CHAIRMAN (Aylward):

Shall Clause 6 carry?

On motion Clause 6 carried.

MR. CHAIRMAN:

Shall Clause 7 carry?

MR. MARSHALL:

Mr. Chairman.

MR. CHAIRMAN:

The hon. the President of the Council.

MR. MARSHALL:

Mr. Chairman, I have an amendment to Clause 7. I move that Clause 7 of the bill be renumbered as Subclause (1) of 7, and the following added as Subclause (2), to read as follows: 'In relation to a government funded body other than a government department, (a) the head of the government funded body may delegate, subject to the approval of a government funded body, power to improve change orders or extensions under Subsection (1) of 5; and (b) the government funded body may delegate, subject to the approval of the Lieutenant-Governor in Council, power to approve change orders or extensions under Subsection (2) of 5; and (3) the head of the government funded body may, subject to the approval of government the funded body, delegate to a senior official of the government funded body power to approve increased costs under Section (6).'

This again, Mr. Chairman, is just merely to give practicality in the event of a Crown corporation executing a work or a hospital executing a work or some other

government corporation or government funded body executing a work to give the head of that government funded body the same discretion as would be given in other instances, subject, of course, to the necessity of reporting to the government any such actions taken.

I move the amendment.

MR. CHAIRMAN (Aylward):
Shall the amendment carry?

On motion amendment carried.

On motion Clause 7 as amended carried.

MR. CHAIRMAN:
Shall Clause 8 carry?

MR. MARSHALL:
Mr. Chairman.

MR. CHAIRMAN (Aylward):
Clause 8, the hon. the President of the Council.

MR. MARSHALL:
This is the final amendment, Mr. Chairman. I move that Clause 8 of the bill be amended by adding immediately after Subclause (1) the following: Subclause (1) 1. "Notwithstanding Subclause (1) the head of a government funded body where may were authorized by the regulations to do so and as prescribed reject the preferred bidder and award the contract to a person other than the preferred bidder."

Mr. Chairman, this was put in primarily at the request of the hospitals, where somebody is awarded a contract as a preferred bidder, but may find because of the generic nature of the drug, for instance, to use drugs as an example, that another quality is

better and it is proven to be better and it can be demonstrated to be better. And the same way with something like, for instance, X-ray film and what have you. So it is to give latitude there, but there are adequate safeguards provided and they will be covered quite adequately in the regulations.

MR. CHAIRMAN:
Shall the amendment carry?

MR. BARRY:
Mr. Chairman.

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

MR. BARRY:
Mr. Chairman, maybe the minister can tell me I am reading it wrong, but as far as I can see it says that, despite the Public Tender's Act Cabinet can ignore The Public Tendering Act. Now does the section say something more than that?

MR. MARSHALL:
Mr. Chairman.

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

MR. MARSHALL:
Mr. Chairman, the hon. gentleman must realize that The Public Tender Act does not mean in all cases that the preferred bidder, which in most cases, of course, would be the lowest bidder, is automatically to be accepted. What the Public Tender Act and all the tendering legislation does is that where other than the preferred bidder or the lowest tender is accepted, there has to be a good and sufficient explanation provided for so

doing. I might add, and I appreciate this opportunity to do so, that the City Council have voiced concerns about being brought in under the act and asked me to bring this to the attention of the House, which I now do. But the thing is that the Mahoney Commission recommended, and I think sensibly so, that all government bodies expending funds should be covered by the legislation.

MR. PATTERSON:
Right on.

MR. MARSHALL:
And this is what we are determined to do. That is why we are insisting it apply to council as well as to other government funded bodies. But there has to be, Mr. Chairman, a certain amount of practicality. On the one hand, for instance, you cannot have the head of a council always having to report to the Minister of Public Works (Mr. Young) because it just denigrates from the principles of municipal government and the way that municipalities are supposed to work. But the main reason why this subclause has been put in has been at the request mainly of the Hospital Association.

MR. BARRY:
But I am talking about the main clause now, Mr. Chairman.

MR. MARSHALL:
The Hospital Association says that as the act was written before, in order to accept less than the preferred bidder they would have to get the approval of the Lieutenant-Governor in Council. And this could prove to be most impractical in cases where there are calls been made by the Hospital Association for drugs and for X-ray films and what have. So

what we have done is we have given them the latitude to do it, but the latitude is going to be prescribed by regulation. And that regulation will require them to comply with the act itself, but it will very carefully constrict them in what they may do and most certainly will require, when they exercise that jurisdiction, after the fact on certain cases when they can, to report to the appropriate minister, so that it will be under the control ultimately of the government in any event. So it does not emasculate the act in any way. What it does really is it makes the act and its application much more practical and makes it impossible - well, less possible, shall we say; nothing, I suppose, is impossible - for abuses of the tendering procedures and systems such as regrettably had occurred in the past.

MR. BARRY:
A weak explanation.

MR. CHAIRMAN (Aylward):
Shall the amendment to Clause 8 carry?

MR. BARRY:
No.

On motion Clause 8 carried.

On motion Clause 8 as amended carried.

On motion Clauses 9 through 19 carried.

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

A bill, "An Act To Provide For The Calculation And Consolidation Of The Provincial Content Factor In The Awarding Of Tenders By

Government Funded Bodies". (Bill No. 41).

On motion, Clauses (1) through (9), carried.

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

A bill, "An Act To Amend The Schools Act". (Bill No. 55).

MR. NEARY:

Are there more amendments?

MR. MARSHALL:

No, I think the Minister of Education (Ms. Verge) already indicated this amendment yesterday, so the hon. gentleman should not have any trouble with it.

On motion, clauses (1) and (2), carried.

MR. CHAIRMAN (Aylward):

Shall clause 3 carry?

MR. MARSHALL:

Mr. Chairman.

MR. CHAIRMAN:

The hon. President of the Council.

MR. MARSHALL:

Mr. Chairman, clause (3) of Bill 55 is amended by striking out the word 'may' and substituting the word 'shall' in the proposed amendment to subsection (1) of section 62 of The Schools Act. Mr. Chairman, the hon. Minister of Education explained this yesterday; it was just an error in the way in which the bill was presented, so it does not need any comment or anything. I am sure it can pass.

The hon. gentleman is back. He could give another statement on

the successful way his statement on his Hong Kong trip was greeted by the press, if the hon. gentleman wishes to.

Motion, that the Committee report having passed bill No. 55 with amendment, carried.

A bill, "An Act To Remove Anomalies And Errors In The Statute Law (2)". (Bill No. 48).

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

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

MR. SPEAKER (Russell):

The hon. the member for Kilbride.

MR. AYLWARD:

Mr. Speaker, the Committee of Supply has considered the matters to it referred and has directed me to report it has adopted a certain resolution and recommends that a bill be introduced to give effect to the same. The Committee also reports having passed Bills Nos. 41 and 48 without amendment, and Bills Nos. 40 and 55 with amendment.

On motion, report received and adopted, resolution ordered read a first and second time.

On motion, resolution read a first and second time.

On motion, a bill, "An Act For Granting To Her Majesty Certain Sums Of Money For Defraying Certain Expenses Of The Public Service For The Financial Year Ending The Thirty-First Day Of March One Thousand Nine Hundred And Eighty-Four And For Other

Purposes Relating To The Public Service", read a first, second and third time, ordered passed and its title be as on the Order Paper. (Bill No. 34).

MR. SPEAKER (Russell):

When shall Bills Nos. 41 and 48 be read a third time?

MR. MARSHALL:

Now, by leave, Your Honour.

MR. NEARY:

We will give leave, Mr. Speaker, provided we have a message from the Minister of Finance.

MR. MARSHALL:

I want to say, Mr. Speaker, that has already been agreed. We should not even mention that because it will get the people on this side of the House very upset with me. I make deals with the Opposition and they turn sour on me, Mr. Speaker. I just want to make the point that you do not really - I do not want to raise the thing, but I do not want to create a precedent - you do not really need leave, Mr. Speaker, for third reading of a money bill, such as this that has gone through Committee, it automatically goes through, but I will not make big production of it.

A bill, "An Act To Provide For The Calling Of Tenders For The Execution Of Public Works And The Acquisition Of Goods And Services By Government Funded Bodies". (Bill No. 40).

On motion, amendments read a first and second time.

On motion, Bill No. 40 read a third time, ordered passed and its title be as on the Order Paper.

On motion, a bill, "An Act To

Provide For The Calculation And Consideration Of The Provincial Content Factor In The Awarding Of Tenders By Government Funded Bodies", read a third time, ordered passed and its title be as on the Order Paper. (Bill No. 41).

A bill, "An Act To Amend The Schools Act". (Bill No. 55).

On motion, amendments read a first and second time.

On motion, bill No. 55 read a third time, ordered passed and its title be as on the Order Paper.

On motion, a bill, "An Act To Remove Anomalies And Errors In The Statute Law (No.2)", read a third time, ordered passed and its title be as on the Order Paper. (Bill No. 48).

Motion, second reading of a bill, "An Act To Provide For The Exemption Of Baie Verte Mines Inc. From Taxes Imposed By The Retail Sales Tax Act, 1978". (Bill No. 46).

MR. RIDEOUT:

Mr. Speaker.

MR. SPEAKER (Russell):

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

MR. RIDEOUT:

Mr. Speaker, I want to thank -

MR. NEARY:

This is a finance bill, how come you are introducing it?

MR. RIDEOUT:

It is a regular bill, Mr. Speaker, which provides for the exemption of Baie Verte Mines from retail sales tax from the time of the takeover of the operation by the present operators in 1982. I am

pleased to introduce the bill on behalf of my colleague, who asked me to do so.

MR. NEARY:

To play a little bit of politics.

MR. RIDEOUT:

A little bit of politics! That is part of the game, Mr. Speaker. We are politicians and I do not apologize for that, and I am sure the gentleman for LaPoile (Mr. Neary) does not apologize for that either.

MR. NEARY:

You will have to answer for the budget next year.

MR. RIDEOUT:

I will answer for the budget next year.

What I want to say, Mr. Speaker, is that there is nothing new or startling in this piece of legislation. This particular arrangement was offered the former operators of the Baie Verte asbestos mine when they got in financial difficulties, back in 1981, and came to government at that time looking for some concessions. The whole idea behind it was that the then operators, Advocate Mines Limited, owned by Johns-Manville, wanted to redevelop the West pit. Now as members may or may not know, the North pit had been mined for a considerable number of years but the company was getting into the development of a new pit. Under our present tax laws it was possible for a new mining operation developing from a green field, from a new start, to be exempted from sales tax. However, it was felt that the development of a new pit in a present mine probably could not be exempted under the present sales tax

regulations and under the present act, so government at that time offered to the previous operators of the asbestos mine in Baie Verte the possibility of an exemption from sales tax. Because they were, in effect, developing not a new mine but a new pit, we would offer them what was presently in the act and in the regulations. Consequently, when the operation closed down and the property was expropriated and then sold to Transpacific Asbestos, the same deal was offered in the negotiation process to the present operators, that we would propose to exempt them from sales tax on equipment used in the development of the West pit because we would deem that to be, for all intents and purposes, a new mine, a new operation. It was a new pit, it was a different pit from what had been there before. So, as I say, Mr. Speaker, there is nothing startling about it, it is financial help to that particular operation which we know is having difficulty.

MR. TULK:

How much difficulty are they having, seriously?

MR. RIDEOUT:

On that subject, Mr. Speaker, let me say a word or two about Mr. Rick Seaward and CBC. I think it was Monday night the article was on. You do not mind news. I mean, news is news and it is great stuff, but the intro to the story on CBC was, 'Baie Verte in Turmoil', Rick Seaward reporting from the House of Assembly in St. John's, Newfoundland. So I stopped, my ears suddenly came very much alert and I said, 'What is going on in Baie Verte? I was in Baie Verte on the weekend and I did not run into any turmoil, I did not run into any riots in the

streets or anything of that nature.' I said, 'What is going on in Baie Verte? It was only yesterday that I left there and today this great objective news reporter, Mr. Rick Seaward, is reporting from the House of Assembly in St. John's that Baie Verte is in Turmoil. What in heavens name is going on?' So I listened to the news and finally the story came on and there was no more turmoil in the report than there is cheese in the moon. I mean, it was a factual report on some financial difficulties that the operation has had ever since they have been operating. That was reported factually, fairly, there was nothing wrong with it, but the introduction to the story would sort of knock you out of your Chair - 'Baie Verte in Turmoil,' it said. Now if you did not stop and listen to the story, Mr. Speaker, if you did not sit in your chair and wait for all this turmoil to come out you would have figured that Baie Verte was closing down, she was gone up the spout again. That to me is irresponsible journalism. And the only thing I can say about CBC and the federal government cuts is that they did not cut deep enough, because they did not get to Mr. Rick Seaward. That is irresponsible reporting, it is irresponsible journalism and I do not mind saying it from where I stand. And just let me say, Mr. Speaker, that when we expropriated the property and sold it to a new operator in 1982, in that window of time, from 1981 to 1982, there were stories done by this one and that one headed, 'Boarded up houses', 'Windows boarded up', 'A ghost town', and all that kind of stuff. So when we finally sold the property, got it reactivated, the mayor of the town invited these same people to come out to

Baie Verte to the official opening. Seeing they had been in Baie Verte ten or a dozen times in the eighteen months that we were closed down, we thought they would come and do a nice positive story to the effect that things were looking up, that we had another opportunity, we had another chance. Do you know what they told the mayor? They could not come because of budgetary restraints. They could come three or four times in the eighteen months there was a disaster to report, but they could not come to report something positive. But what really got me was this intro the other night, 'Baie Verte in Turmoil.' Now, Mr. Speaker, Baie Verte is not in turmoil. Baie Verte has some financial difficulty, and the hon. gentleman from Fogo (Mr. Tulk) asked me the extent of it. The extent of it is simply this: When the deal was put together in 1982 there was supposed to be put in place a \$4 million line of credit against inventory buildup for operating capital. The federal government was supposed to put in a million dollars. The federal million dollars got in all right, Mr. Speaker, but it got in against receivables not against inventory. But the company does not have that much receivables. As soon as a load of fibre leaves the dock there is a letter of credit from whatever agency they are dealing with in India which they immediately take to the bank and they get their money. So there is not that much in receivables. A line of credit against receivables means very little to them. The provincial government already got a million dollar guarantee on inventory, so what we have been trying to do for the last year and a half or two years is get the federal

government to change their line of credit on receivables to inventory and that would then mean something to the company; that would be a million from us, a million from the feds and two million on their own, so they could then build up a \$4 million inventory and draw against it. And there is absolutely no risk in it, Mr. Speaker. We have ours in place now, and we have first charge on the -

MR. TULK:

There could be risk but they have to take it.

MR. RIDEOUT:

There is some risk, of course.

We have first charge on a million dollars worth of inventory that we would be able to sell and get our million dollars back.

The other thing, Mr. Speaker, is the product that we are dealing with. We are dealing with asbestos and I am sure that every hon. gentlemen in this House has heard me speak passionately about it time after time over the last ten years. We are dealing with a product that has decreased in value, particularly over the last couple of years. The market has shrunk very significantly in the United States, it is almost non-existent - you cannot sell it in the United States. The market has sunk significantly in Europe. The only sort of booming area for asbestos now is in the developing countries in Southeast Asia, and that is where 95 per cent of the Baie Verte production is going. Those countries are very poor currency-wise, as I am sure most hon. gentlemen realize, and that causes a problem. The other problem is that you cannot find a bank that will take asbestos as

collateral. We have been to them all, Mr. Speaker. I went to them when I was in the Premier's Office as Parliamentary Assistant, and in my roll as the member for the district, and I could not find a bank that would take asbestos as collateral, you had to have a government guarantee in order to get a line of credit. Now that is unbelievable. If you got a million dollars worth of copper a bank will normally give you a million dollars worth or credit against it, but they will give - no pun intended - no copper, not one copper, not a red cent against a ton of asbestos because of the perceived problem, and an accepted problem, with the use of asbestos. So that has caused the company considerable difficulty, as I am sure members appreciate.

MR. TULK:

Is that the reason why they required the two guarantees, one from the Province and one from the federal government?

MR. RIDEOUT:

Yes, on the line of credit, because the banks will not give them any, not a cent.

MR. TULK:

What percentage do they require?

MR. RIDEOUT:

One hundred per cent. When the original deal was struck, Mr. Speaker, the deal was that the federal government would put in a million, we would put in a million and the banks would therefore let them go to \$4 million based on those two. But after the deal was signed and the asbestos problem continued, then the banks withdrew, they would not give any guarantee on inventory unless there was 100 per cent guarantee by the government. So that is it

in a nutshell. We are working on it. Baie Verte is operated with 365 or 366 people on the payroll. They were going to close down the first week in December. Mr. Speaker, it is a very unhealthy situation where workers continue to get notices and so on, we all appreciate that and we all realize it. I met with them and tried to persuade them, if they could possibly do it at all, to hold on until at least the Christmas shutdown, which they were planning to do anyway December 21, a couple of days from now. And they were able to do that. They may have to extend the Christmas shutdown by a couple of weeks and not open until January 21 or 22, they are not sure, that depends on getting some boats in. There is a boat out there now, as a matter of fact, loading. There is another one in Corner Brook loading. So with those two boats gone \$3 million or \$4 million will come back into the kitty and they will have some operating credit again.

As a government we are now meeting and negotiating with the federal government to try to change that \$1 million on receivables to \$1 million on inventory, to go with our \$1 million, and hopefully we can therefore put a much greater line of credit in place for them. So we are working on that, Mr. Speaker, and hopefully we will be successful.

MR. TULK:

How are they planning to make up the other \$2 million?

MR. RIDEOUT:

They had an offer from a private business source for \$2 million, if we can come up with \$2 million in guarantees.

The only other thing I want to say

on this bill, Mr. Speaker, is there is no turmoil in Baie Verte. The people of Baie Verte are realistic. They have gone through a difficult time. Perhaps what is wrong with them is that they have not been like people in some other communities, snapping at government's heels and on the radio and on television and all that kind of stuff. They have been reasonably patient people. We have kept them totally informed of what is happening and they have been very appreciative of that. But when you see the likes of Mr. Rick Seaward headlining a story 'Turmoil in Baie Verte', then it kind of gets to you, Mr. Speaker. Because there is no turmoil in Baie Verte. There are problems, yes, but not as great as there were two years ago when it was totally closed down. There is opportunity there, we are working on it, and hopefully we will be successful. But there is no turmoil. If those people wanted to see what is in Baie Verte, why did they not come down to the official opening when they were invited and do a positive story? They come down during closedowns, they come down during shutdowns and take pictures of boarded up windows and all that, why do they not come down and report something positive, Mr. Speaker?

So this bill just simply reconfirms what was offered to the old operators of the Baie Verte Mines and what is presently being offered to the new operators. As the member for the district, Mr. Speaker, and as minister, I am very pleased to move second reading.

SOME HON. MEMBERS:

Hear, hear.

MR. BARRY:

Mr. Speaker.

MR. SPEAKER (McNicholas):

The hon. the Leader of the Opposition.

MR. BARRY:

Mr. Speaker, we sympathize with the people of Baie Verte and surrounding area who are dependent for their employment on the continued operation of the Baie Verte mine. We will support the legislation, Mr. Speaker, but we would like to know - maybe the Minister of Finance (Dr. Collins) would be the one to answer this - the extent to which we are creating a precedent, an expensive precedent, by so doing.

Now, I had the opportunity of becoming involved with the Baie Verte situation, as the minister knows.

AN HON. MEMBER:

You did a good job, 'Leo'.

MR. BARRY:

Thank you. I had to engage in some frantic shuttle diplomacy in order to keep the mine operating after it had closed on the first occasion. I think we all know what was going on in the background. Since then the Johns Manville people have done their fast shuffle down in the US with respect to their bankruptcy proceedings in order to protect themselves against asbestos claims. They were indicating at that point in time, when I was down there, that they were starting to phase out of the asbestos business but, Mr. Speaker, they were not up front in terms of indicating what they were planning. The initial reopening - what was it for? - three or four months. The Minister of Development (Mr. Windsor) might

remember. How long did we get them to reopen for in September, 1981? They kept it open until Christmas or January, just after Christmas. We got a few months out of it. Meanwhile, government was out looking for other people to get involved and we saw a new group become involved there, fortunately for the mining operation.

Mr. Speaker, whether now or at Committee stage, it might be preferable to have it now, we would like to get some idea as to how much we are talking about here in terms of exempting the Baie Verte Mines Inc. from taxes imposed by the retail sales tax. It is obvious from the legislation that it is going further than this exemption that is given for capital improvements, it is much broader than that, therefore, I would like the Minister of Finance (Dr. Collins), or maybe the Minister of Development (Mr. Windsor), to indicate whether it is now the policy of government to entertain this type of application on behalf of any business that can establish that it is in difficulty, and what will be the criterion for deciding whether or not a particular corporation is exempted from the Retail Sales Tax Act. I guess we would all like to see, Mr. Speaker, the retail sales tax removed. We on this side of the House would definitely like to see it reduced as quickly as possible for all residents of the Province, but it makes it harder to do that, it makes it harder to get the tax down for everybody if there are total exemptions given to only a few corporations. This is a matter of some concern. We recognize that there is a dilemma here, we recognize that there is the desire to keep the mine operating, because otherwise there

are going to be costs incurred, unemployment insurance, maybe social assistance and so forth, and it might be cheaper to government, possibly, to provide this exemption, but I am concerned about the precedent that is being established, I am concerned that we have some indication of a criteria that will be applied so that we have some fairness in the approach to exemptions from the Retail Sales Tax Act. I would like to know how much it is going to cost and whether there are other businesses that are in a position now to make the same application? For example, Fishery Products Inc., is this a corporation that would be in a position to make the same application and receive the same exemption? That is a corporation that is in great difficulty and affects the lives of many thousands of Newfoundlanders. Although I sympathize with the people of Baie Verte and I want to see this mine kept open, perhaps, Mr. Speaker, and I would like to reserve my whole-hearted support for this, I feel that we will support it, but I would like to get answers to some of these questions before I give a final answer on this because it might be cheaper to provide some direct assistance to the Baie Verte mine than to start this precedent which is going to come back to haunt government with respect to other corporations and which is going to make it very difficult to have retail sales tax ever decreased for all the people of the Province. Maybe the ministers might be able to give some comments on these points.

MR. SPEAKER (McNicholas):
The hon. the Minister of Finance.

DR. COLLINS:

Mr. Speaker, I think the line of argument that the hon. the Leader of the Opposition (Mr. Barry) is taking there is one that we certainly support, it is really general government policy. We have not taken the approach that by and large - and I am going to qualify this in just a moment now - we want to encourage industry by exempting them from certain taxes. That is not the general approach.

MR. BARRY:
This is an exception.

DR. COLLINS:
Yes, this is more or less an exception. I will go into it a little bit more in a moment. Our general approach has been to look on the grant side unless an exemption can be made which is of general application, if only because it is often difficult to administer where you are giving exemptions on a very narrow basis. That is one thing. The other thing is, as the hon. the Leader of the Opposition implied, you can get into a situation where a precedent is established and that precedent can be used in a certain sense that you did not foresee and you did not anticipate coming up, and it might cause difficulties. So our general approach has been to go the grant route rather than the exemption route.

Now in this case there is not really a precedent because the previous firm, Advocate Mines Limited, had this identical retail sales tax exemption. So we are really just applying the exemption that was there previously to the new operators. That is what it is, it is not creating a new class of exemption. I suppose you could say, Is this not a precedent for

any other situation where a new owner takes over from an old owner? If the old owner had a retail sales tax exemption, are you now not obligated to always make a new owner also exempt? That fact could be argued, but I do not think those situations arise very often. In any case, this is a particular statute and we can always argue that it was designed for just a particular circumstance and therefore we are not as bound by the precedent as would first appear.

The other point I would like to make, though, is that we have in place now exemptions of general application when it comes to machinery and that type of capital asset which manufacturing firms acquire. We brought that exemption in in the last budget and it is of general application. Any manufacturing firm can apply for and get this exemption if the equipment that they are purchasing falls into the appropriate category. In this particular case, the exemption is a bit broader than that because 'The exemption applies to the purchase, consumption or use of machinery, equipment, structures, and other tangible personal property used in the insulation, construction, establishment or expansion of works.' So it is a bit broader than just the equipment, but I do have to emphasize that it is not broader than what the previous owners had. This is just a transfer to the new owners of exactly the same exemption that the previous owners had. I think that probably covers the points the hon. Leader of the Opposition (Mr. Barry) brought out and I move second reading.

MR. FENWICK:
Mr. Speaker.

MR. SPEAKER (Aylward):
The hon. member for Menihek.

MR. FENWICK:
If I could just make a few comments. The bill worries me, it troubles me and it troubles me from a slightly different angle than the Leader of the Opposition and the others who spoke on it. I understand the problems in Baie Verte, I understand the hand-to-mouth existence, so to speak, of the mine and the problems it is incurring. The question about it is whether this is the most appropriate way to attack the problem, whether an exemption from retail sales tax on, as has been pointed out, a large list of things in addition to the general exemption on machinery that is currently now in effect, whether that is the most appropriate way to go about it. It has been pointed out by the Leader of the Opposition, I think, that if they are exempted from retail sales tax, that is income that has to be raised elsewhere. The rest of us all have to pay 12 per cent sales tax on things like houses, or building materials to put houses together, and, of course, the company here, if houses were used in the expansion, would not have to. So it raises that whole question about what kind of incentives you actually give to a company to stay in the Province or to locate in the Province, and I think that that is a basic question that we have sort of skirted around. Because I think all of us in this House agree that we would like as many mines as possible, and as many industries as possible located here, because we want the jobs that go with it, the question is to what extent, to what lengths are we willing to go in order to attract these industries? I

think that is one of the key things that really has not been addressed by any of the members who have spoken to this point. I think it is similar to a debate we had in the House over the past couple of weeks, when we started looking at the Labour Standards Act which is now suitably modified, and retroactively, by the way. This piece of legislation is also retroactive, which I find is an interesting point. I think the question we have to answer is, to what extent are we willing to go in order to make sure a particular industry locates here and stays here? I personally think that the idea of a specific exemption for retail sales tax is probably a poor way to go. I am not overly enthusiastic about a grant, because, in a sense, the exemption from retail sales tax is a form of grant that continues on in certain purchases a mine is intending to make. But it may be better than this, because this one seems to be much more open and much more open to all kinds of other approaches to it. But the part of the question that I think has not been addressed is what is the equity that is being returned to the people of the Province as a result of this major concession to this particular operation? That part is one, I think, that we will have to decide about.

The question we have to ask ourselves on that is, what are we going to do about future concessions like this? Because I can see, for example, the Iron Ore Company of Canada, if it runs into hard times in the next couple of years, coming and asking for the same exemption, in the same way Baie Verte Mines has, I can see Wabush Mines doing it, and I can see others, and, obviously, if they are in difficulties we are going to be sympathetic and do

whatever we can possibly do to make sure the employment stays there. But I think one of the principles we are going to have to approach, and one of the principles we are going to have to look at, is that we are going to have to ask for some concession in return. I am not sure what it would be, but I recall the employees of the mine, for example, being asked to give back some of the benefits they had - I believe they had to take salary reductions and there were some other benefits to their contract that they had to give up when the new operator came in. I understand from talking to some of those individuals that there was a proposal to give them some sort of equity position in the operation as a sort of concession, or as a trade-off for the idea that they would give up some of the rights they had under the collective agreement. And it seems to me that that general principle, which I believe was not pursued, I think it was vetoed by the board of directors of this mine, but I understand it was an arrangement that was discussed and brought forward and seemed to me a good idea. And I think that we should take that same principle with regard to the particular way in which we are aiding this company, I think we should look at it and say, "Well, if we are going to exempt them from this particular kind of taxation, then there should be something that we will get back in return in terms of equity, perhaps, or some sort of interest in the company." Because I think that if we do this with no trade-offs whatsoever, then we are entering into an area from which I do not see us ever being able to extract ourselves. Because every mine that comes in that has a tight balance sheet is going to

ask for the same thing and we are going to be hard put in the future, I would suggest, to refuse these operators, especially when we get pressure from the local area for these particular kinds of jobs. So although I will vote for it, reluctantly, I still think it is a poor way of going about the job of assisting this particular mine, and I would hope that in the future we could find ways which would help the mines, but, at the same time, there be an exchange occur so that we do not end up going more and more into giving concessions to these large operators.

The final comment I want to make is that since it is very close to Christmas, it seems that we are giving some very nice Christmas presents to a few operators. The Baie Verte mines are going to get a Christmas present that dates all the way back to September 3, 1982, and here is a case where retroactivity, at least for this particular operator, certainly is not the kind of thing that they would disagree with.

MR. SPEAKER:

The hon. Minister of Development.

MR. WINDSOR:

I will just make a brief comment, and I will start off and work backwards. As it relates to retroactivity, this is simply, Mr. Speaker, the date on which the company actually took over the mine. There is nothing retroactive about it, it is simply making the act come into effect in accordance with the agreement.

MR. BARRY:

One thing is giving benefits retroactively, the other thing is taking something away retroactively.

MR. WINDSOR:

We are not taking anything away, we are not giving that benefit retroactively, we are doing what we agreed to do back in September, 1982. I just want to point out that what we are doing here, Mr. Speaker, and I emphasize what my colleague has said, is giving the same benefit to this company as was given to the previous owner/operator many, many years ago. In fact, when we were negotiating the takeover of the mine, all the facts and figures of the financial statements that we were using were based upon an operation which was tax exempt, in accordance with this particular piece of legislation. It was simply necessary for us to put into legislation the agreement that we made at that time, which was to continue on the benefits that were being enjoyed by the previous company. So there is nothing new being put in place. I simply want to say, Mr. Speaker, that this is not necessarily a policy of government, to give retail sales tax exemptions to companies. It is not a policy that will be applied generally to new companies coming in, nor has it been applied to new companies that have established since this particular agreement was made with Baie Verte Mines Limited. Indeed, every company that would be hoping to establish here would be treated on its own merits. It is something, I suppose, that could be considered, the policy that government has put in place is one of retail sales tax exemption on manufacturing equipment. Obviously, hon. gentlemen opposite are not interested in that either, so I am going to sit down.

On motion, a bill, "An Act To Provide For The Exemption Of Baie Verte Mines Inc. From Taxes

Imposed By The Retail Sales Tax Act, 1978," read a second time, ordered referred to a Committee of the Whole House presently, by leave. (Bill No. 46).

MR. MARSHALL:
Mr. Speaker.

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

MR. MARSHALL:
I rise by way of friendly suggestion now. If it is agreeable to the House I just want to make a suggestion. There are several bills on the Order Paper, An Act Respecting The Department Of Labour, An Act Respecting The Department Of Consumer Affairs and Communications, An Act Respecting The Department of Career Development and Advanced Studies, and An Act To Consolidate The Law Respecting The Department of Education. Now, all of these are related to the restructuring of government. By leave, if hon. gentlemen want to, why do we not just call all four of them. Anyone can comment on them, and it would be more relevant, they would be talking about the whole system. If I have leave of the House, I would call all four bills, Mr. Speaker.

MR. TULK:
In Committee?

MR. MARSHALL:
No, here in second reading.

MR. SPEAKER (Russell):
Do we have leave?

SOME HON. MEMBERS:
Hear, hear!

MR. SPEAKER:
Leave is granted.

MR. MARSHALL:
I thank the House, Mr. Speaker. I call Orders 10, 11, 12 and 25.

Motion, second reading of the following bills: "An Act Respecting The Department Of Labour," (Bill No. 49); "An Act Respecting The Department Of Consumer Affairs And Communications," (Bill No. 43); "An Act Respecting The Department Of Career Development And Advanced Studies," (Bill No. 42), and "An Act To Consolidate The Law Respecting The Department Of Education," (Bill No. 44).

MR. MARSHALL:
Mr. Speaker.

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

MR. MARSHALL:
Now, if my colleagues will allow me to introduce them, I will say what I already said when I called the bill. The purposes of the bills are the reorganization of the various departments in order to give effect to the creation of a Department of Career Development and Advanced Studies, in order to give effect to the Department of Consumer Affairs and Communications, which bill has been pretty well fully debated, by the way. "An Act Respecting the Department of Labour", where certain areas in the Department of Labour were taken and put into the Department of Career Development, and Housing was put into the Department of Mines and Energy. Then, of course, the Department of Education Act has to do with the division of that department. So that in substance is it, Mr. Speaker, and I know that we will be quite happy to hear any comments made by hon. gentlemen.

MR. BARRY:
Mr. Speaker.

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

MR. BARRY:
Mr. Speaker, the hon. minister talks about restructuring. We are going to give the minister restructuring in the next election. The only way there will be any proper restructuring, that will have any significance for the ordinary man and woman in the street, is when we restructure the ministry.

MR. MARSHALL:
You want an election?

MR. BARRY:
As a matter of fact, we do want an election and we want a new Elections Act. Where is that promise of the Premier that we would have a new Elections Act? Where is that act? Let us include that one, Mr. Speaker, and make it an even five. We are not going to get a new Elections Act, I do not think.

Mr. Speaker, I do not think we should let these bills go by without comment. It is regrettable, Mr. Speaker, that we have such a sly Government House Leader (Mr. Marshall) that he would bring those bills forward when everybody is clamouring to get out for Christmas. Because he knows full well, Mr. Speaker, that the soft underbelly of his government, the government of which he is a minister, is twofold really, they have two soft underbellies: The first is with respect to labour relations and the second is with respect to the treatment of young people in this Province, the education of young

people, the training of young people, the holding out of promise to young people to show them that there will be careers which will lead to fruitful jobs. Mr. Speaker, we have in the Department of Labour and in the Department of Career Development and Advanced Studies Acts prime time debate on each of those items but, unfortunately, I think the life has gone out of this Session. Members opposite are cowed enough and there is no fun anymore, Mr. Speaker. You cannot get a spark out of them. They are sitting back, their minds are on their Christmas shopping and there is absolutely no point in carrying on because nobody is listening, there is no chance of changing their minds, Mr. Speaker, and most of the population is out doing their Christmas shopping, too, like they should be and where we should be. Mr. Speaker, we have to point out the sad state of labour relations now, the sad approach of government to labour. That is one of the soft underbellies of this government.

DR. COLLINS:
You will never beat that subject soft.

MR. BARRY:
Well, Mr. Speaker, the minister and the government of which he is a part is catering to the view that the polls indicate that the general public does not mind government putting it to the unions, does not mind putting it to the labour movement. Well, Mr. Speaker, if the minister studied the polls more closely he would see that, yes, at the appropriate time, after due consultation and attempts to negotiate in good faith, then the general public says, yes, government has to govern and there comes a time when

government has to make a decision. Whether or not union leaders or union memberships, for that matter, agree, government has to govern. But, Mr. Speaker, that point should only come once there has been proper, full attempts at consultation. If there was anything that was despicable in this Term 37 and Bill 37 debate, Mr. Speaker, it was the way in which members opposite did not have enough faith or confidence in the workers of this Province to consult with them as to alternatives to that disgusting and abhorrent retroactive legislation.

DR. COLLINS:

There is only a handful of people objecting to Bill 37.

MR. BARRY:

You are going to see the handful when the next election is called, Mr. Speaker. The minister will see the handful.

DR. COLLINS:

Bill Parsons is voting for you and who else? I cannot think of anyone else.

MR. BARRY:

Mr. Speaker, we will have all sensible men and women in this Province who see the instability that is now being created by this threat of retroactive legislation. Mr. Speaker, the other soft underbelly of this government is, and it is sad for me to point it out, although it obviously creates great opportunity for us in Opposition to establish ourselves, to take the government in the next election, that the minister and his colleagues are permitting a lost generation of youth in this Province. They are failing to provide any hope for those

thousands of young people who are leaving university, trades school, and training institutions.

MR. CARTER:

Keep quiet.

MR. BARRY:

The unsavoury savoury member can say keep quiet but -

MR. NEARY:

His feet are so big that you could put a 15.5 horse power outboard motor on his shoes and go across Windsor Lake.

MR. BARRY:

I do not know if you noticed, but he is using one of his footprints up there for a swimming pool.

Mr. Speaker, the hon. the member for St. John's North (Mr. Carter) has children of his own and he should speak to his two sons and his daughter and I think that they will tell him that all is not well with their peers, with their age group. There are a lot of very concerned young people in this Province, Mr. Speaker, who see no hope being offered by members opposite, no hope being offered by this Premier and this government, and, Mr. Speaker, we can go on and on and on. But those two themes, Mr. Speaker, we will have the opportunity to address again, two themes that are going to come back to haunt members opposite. There must be some hope offered. That lost generation of youth that is out there now are aimless, not knowing where to go and where to turn, with many of them having to leave the Province, Mr. Speaker, in a last desperate attempt to find employment. What social ills will we have in this Province throughout their lifetimes? We will never be able to undo, Mr. Speaker, the harm that is done,

even if we start today. Tremendous harm is being done to the social fabric of our Province by the lack of attention which is being paid to the problems of young people by this government.

Mr. Speaker, with those few remarks, and I say we will be coming back to it time after time, I would say that we will be prepared to support this legislation.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER (Russell):

The hon. the member for LaPoile.

MR. NEARY:

Mr. Speaker, I cannot resist the temptation to have but a few words on these four bills that are now -

MR. WINDSOR:

I am sure they will be enlightening, too.

MR. NEARY:

It will be enlightening, because I happened to be in this House in 1973. The hon. gentleman is still smarting under the criticism of his wasting taxpayer money on going to the Orient. I believe he is still suffering from either jet lag or saki.

MR. TULK:

Or acupuncture.

MR. NEARY:

Or acupuncture. The hon. gentleman should have had acupuncture done on his nerves when he was over there, Mr. Speaker. But, Mr. Speaker, I happened to be here on this side of the House in 1973 when the Moores Administration, the Tory Administration of the day, of which the hon. gentleman was a

member, brought in what they hailed was the greatest restructuring programme in Newfoundland history. The restructuring of government departments was supposed to be the saviour of Newfoundland. Was the hon. member for Exploits (Dr. Twomey) here then?

DR. TWOMEY:

No.

MR. NEARY:

No, he was not.

But, you know, that is the trouble about being here, if you have a good memory and you are here for a long time. And I hate to stand in this House today and say to the administration there opposite, we told you so. Because what we argued at the time, during the debate on second reading when they were changing the name of the Department of Labour to Manpower and Industrial Relations, and all the other changes that they were making -

MR. TULK:

Fancy names.

MR. NEARY:

They were just fancy names. They were building the bureaucracy, they built up several levels of bureaucracy. But what they did, Mr. Speaker, they restructured themselves out of business and they insulated the ministers and the administration from the general public.

MR. CALLAN:

That is the problem.

MR. NEARY:

That is what they did. And we told them at the time what was happening.

I remember getting up and making the statement that when Mr. Smallwood was Premier of this Province there was a line-up outside his door day in and day out, almost to midnight every night. When the government changed in 1972 they changed the carpet on the eighth floor and it will never be worn out. If the Tories are in power a hundred years, that same piece of carpet will be there. Nobody is allowed in. You cannot get to see the Premier, you cannot get to see the ministers, they will not return calls.

DR. COLLINS:

There was a little dictator there, they say.

MR. NEARY:

Yes, some dictator. The lowliest individuals in this Province, no matter what their status, no matter what their social status was could get in to see the Premier if they could wait in line long enough. But, Mr. Speaker, do we see these line-ups today? No. All we get from constituents of hon. gentlemen, and people around the Province generally, are complaints that they cannot get to see the ministers, they cannot get their phone calls returned, they cannot get to see the Premier.

MR. CARTER:

The door is always open.

MR. NEARY:

They have a closed-door policy.

Now, Mr. Speaker, that is what the debate was about in 1973, and they cannot say they were not told. They were warned about what was going to happen, yet they changed the name of the Department of Labour. Now here we are in 1984 and they are changing it back

again. How many more times are they going to juggle the names around?

MR. TULK:

How many more times are they going to throw the salad up in the air?

MR. NEARY:

Yes, that is right. My hon. friend will remember what I said about the last Cabinet reshuffle, they took the salad and tossed it up in the air. They are doing the same thing again now with the departments. And my colleague has made some very valid points about the poor state of labour/management relations in this Province, the unemployment amongst the young people in this Province - 50 per cent of the unemployed are young men and women who cannot find a job. We have record numbers dropping out of school because the Minister of Education (Ms. Verge) made a mess of the educational system in this Province.

DR. COLLINS:

Was there anything said in Cabinet other than 'yes, Sir', during the Smallwood days?

MR. NEARY:

Mr. Speaker, only for it is Christmas, only for it is getting near Christmas I would give the hon. gentleman an answer.

MR. TULK:

A flick.

MR. NEARY:

I would give him a good flick.

But, Mr. Speaker, here we are, 1984, eleven years later, and we are going through the same process we went through in 1973, when we were told by the Tory Administration of that day - that

was one of their first big reforms, by the way, to restructure the government departments.

MR. TULK:

Oh, I can remember all of that.

MR. NEARY:

That was their biggest reform. Up to that point in 1973 that was their biggest reform.

DR. COLLINS:

It was a breath of fresh air brought in by the administration.

MR. NEARY:

It was a breath of fresh air all right. Now they are turning back the hands of time and we are going right back to where we started back in 1973.

Mr. Speaker, my hon. colleague said we will support it. What else can we do? What else can we do with motherhood, Mr. Speaker? We will have other opportunities to debate the state of the economy and the record unemployment in the Province. We will be back again in January to ratify the offshore agreement, if they get it. And there will be no Spring election. First I was arguing that there would be a Spring election. There will be no Spring election, the polls are too bad. The polls show that the Premier's image is so battered and bruised we will not have an election. He will probably go the full term now. I was convinced that we would have a Fall election, immediately following the Tory sweep across Canada, then I said, Well, maybe not, maybe he will try to get a few things on the ground, get an offshore agreement, and then call the election. But the people are wise to him. The polls are too bad. The people can see through

the plans. Even the \$200 million or \$300 million up front money will not work. He has a credibility problem.

MR. TULK:

They will not believe him.

MR. NEARY:

People will just not believe the Premier any more. They may have to change their leader before the next election. They do that up in Ontario all the time.

MR. TULK:

That is what they did over there before.

MR. NEARY:

They may have to do that here before another year is out. But he may try to hoodwink his own crowd, and he may try to stampede them into an election. But I do not believe, Mr. Speaker, we will have a provincial general election until the Spring of 1986.

MR. TULK:

Do you realize there are numerous members on that side of the House who did not see the poll he did in October?.

MR. NEARY:

Now people are beginning to realize he put all his eggs in the offshore basket and it is not going to produce, he is not going to be able to deliver the jobs to the people that he thought he was going to deliver. The concrete platforms are gone. The oil is going to be loaded at the wellhead and taken away to Maine somewhere and put into these pipelines. That is gone. No oil refined in Newfoundland. Mr. Speaker, the most foolish, silliest thing I ever heard in my life was the statement the hon. gentleman made that it would be cheaper to build

a new oil refinery than to refurbish the old one. What a stupid, silly, childish, foolish statement. The replacement value of that refinery down there is, I would say, close to \$1 billion, \$1,000 million, the replacement value in present day dollars, and the hon. gentleman says it is cheaper to scrap that, tear it down, sell all the valuable equipment out of it, the isomax and everything else, because it is cheaper to build a new one.

Maybe I exaggerated on \$1 billion, but I would say \$700 million or \$800 million to replace that refinery, and the Premier comes into this House and right off the top of his head he says it is cheaper to build a new one than to refurbish the old one.

Mr. Speaker, I do not intend to take advantage of these four bills, but the opportunity is there. We could have a very wide-ranging debate if we wanted to on this restructuring. But, Mr. Speaker, this time restructuring works. Obviously it has not worked. They are now going back, they are trying to undo something that Mr. Moores and his administration did, Mr. Speaker, and it is costing the taxpayers of this Province a pot full of money.

MR. SPEAKER (Russell):

Is the House ready for the question?

MR. FENWICK:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Menihek.

MR. FENWICK:

I would like to speak on the combined bills. As a matter of

fact, I think it is appropriate that they have been combined because I want to address my comments to the whole idea of the restructuring of government, which I guess is what we are talking about here, the extra departments made, and so on. I want to approach it from a different direction and I am not sure how welcome it is going to be to members of the House. But it is a problem that I have perceived and that I think a number of the backbenchers on the government side and members of the Liberal Opposition have seen very acutely, and it is this, essentially: We now have a Cabinet of twenty - are there twenty individuals in the Cabinet? - and the problem we have, it seems to me, is an interesting situation in that we have twenty Cabinet ministers who are paid the same as every other member in the House of Assembly but, at the same time, they receive extra compensation for being Cabinet ministers, and it is right that they should. But, by expanding the Cabinet to twenty, what we have, I think, is almost a class system in the House here, in the sense that we have a certain number of members who are backbenchers, members of the Opposition and so on, who receive just what the sessional pay is and some expense money, of course, but the expense money, as most members know, is something that is quite needed in terms of meeting actual expenses. But then we have a large Cabinet of twenty members, whose compensation is considerably higher. I think one of the problems we have is that we have a throwback to the time when the House of Assembly, perhaps a hundred years ago, or fifty years ago, sat maybe for two or three months, and most members of the House of Assembly were in a

position where they would have other jobs, other ways of getting compensation and so on. I know it is an oblique way of getting around to it, but I assure you, it is relevant. It seems to me that by expanding the Cabinet, some of the pressure that must exist among members of the House in order to get the sessional indemnity raised to a level where we can start attracting a lot of people who do not have extra jobs outside the House into the House of Assembly, that a lot of that pressure has been sort of syphoned off. I am not suggesting it is the first reason for it, but what I am suggesting is that if you add up all the Cabinet ministers, if you take all the other committee jobs and so on which are provided for other members and the Opposition, what you end up with is a group of maybe ten or twelve or whatever - I do not know the exact number of government backbenchers who are in really bad financial condition; I know they are because I am in the same condition as they are and it is, quite frankly, not a kind of condition I particularly want to be into. I raise it, and again I know it is the kind of thing that good manners or some tradition has suggested that we do not raise, but all I can tell you is that I tried to get a local person in Labrador West to run in the Menihek by-election and the person we were looking at was a labourer, working for one of the mining companies, and when we told him what the sessional pay was, he said that that was crazy, that he would not take that kind of a cut in pay in order to run for a seat in the House of Assembly.

The thing is, it seems to me that what has happened is that inadvertently or deliberately, we have expanded the Cabinet by the

addition of all these extra things in order to perhaps take some of the pressure off the government side which, of course, is the only place in which that kind of problem can be addressed properly and addressed in a way in which we can do something about it.

MR. CARTER:

The Leader of the Opposition (Mr. Barry) likes his job.

MR. FENWICK:

I know he does, that is why I am trying to get his job.

But the thing about it is we have really a two-tiered structure. Every member in this House knows that the job is a full-time job. Some have other jobs that they can do at the same time and I wish them luck that they can do that. But the fact is that for most of us this is a full-time job, this is the only compensation we have. In a lot of cases, we have wives who are working and that is probably helpful because it keeps us in salary and so on. I would suggest it is a problem we have to address somewhere down the line. It seems to me that it is inappropriate that I cannot get a labourer in a mine to run for our party because he refuses to take the cut in pay that winning the election would have ensued. And, to me, bloating up the Cabinet to twenty members, which is the only way I can describe it, by splitting departments in half, as we did with the Department of Education and parts of the Department of Labour, and so on, is just a way of avoiding facing that real issue. We do not get paid for a session. It is not just a session's work that has to go into it, it is a full twelve months a year job and there should be reasonable compensation.

I was listening to one of the former, former Leaders of the Opposition, who has been here for a long time, saying that the Liberal Premier, I guess the only Liberal Premier, had a deliberate policy of paying his backbenchers very low salaries, that back in 1962 or 1963, he paid them \$3,333 a year or something like that.

MR. CARTER:

He gave them cushy jobs as well.

MR. FENWICK:

Well, yes, but that is beside the point. The fact is, it was \$3,333. That is an interesting amount, because if you think about it, it was probably about 50 per cent higher than the average teacher in the Province at the time, because teachers in 1962 were making around \$2,000 or \$3,000 a year. Now, the average sessional pay that the members in the House get is about two-thirds of what the average teacher would get. I just want to use that as a comparison. I am not suggesting that members of the House should be paid as teachers, all I am suggesting is that while other salaries have gone up, these have not.

It seems to me that what we have done - and I am again trying to keep this reasonably relevant - by expanding the Cabinet and bloating it up to this point, and appointing a lot of committee people, is to sort of take the worst cases for the government side but to do almost nothing for the members of the Opposition and for some of the other backbenchers who are not fortunate enough to be in those positions.

I know the Leader of the Opposition does get extra money and I know the House Leader gets a

bit more, but those are the exceptions.

MR. CARTER:

A lot more than they are worth.

MR. FENWICK:

That is not even debatable, to tell you the truth.

But, for everybody else there is a problem. I raise it because I figure in the first six or seven weeks that I have been in this House I am in a position to be able to say that without drawing the ire of all the members in the House. But I think it is a problem that we have to address. If we do not address it, then we run the real risk of having a House full of people who have either a second income from their wives or jobs where they can moonlight. I am not suggesting that lawyers can, but I know lawyers in St. John's have found it possible in the past to be members of the House of Assembly and still continue to practice. I know some doctors have as well, and this is not intended as a slight on those individuals.

To tell you the truth, I think we should change the Legislative Disabilities Act to make sure that everybody has to live on their resources from the House, but I am suggesting that as an approach we should look at in the future. Of course, I am not suggesting all lawyers are having that advantage either, because lawyers from outside the area have a major problem in that they do not know when they are going to be back home and, for a large part, they have to give up their practices; so do, I suggest, doctors from outside the area have difficulties, although doctors in the area do not.

To me, one of the things accomplished by this restructuring of government was to bloat up the Cabinet, again I repeat that, to take some of the pressure off it, and I do not think the pressure should have been taken off. I think we really have to address ourselves to the question of what our job is: Is it a twelve months a year job or is it for four or five months, while the House is in session? And, if it is a twelve months a year job, then let us pay a decent wage so I can get labourers from mines to run for our party in the future.

SOME HON. MEMBERS:

Hear, hear!

On motion, the following bills were read a second time, ordered referred to a Committee of the Whole House, presently, by leave:

A bill, "An Act Respecting The Department Of Labour," (Bill No. 49); a bill, "An Act Respecting The Department Of Consumer Affairs And Communications," (Bill No. 43); a bill, "An Act Respecting The Department Of Career Development And Advanced Studies," (Bill No. 42); a bill, "An Act To Consolidate The Law Respecting The Department Of Education (Bill No. 44).

MR. MARSHALL:

Order 20, Bill No. 57.

Motion, second reading of a bill, "An Act To Amend The Labrador Linerboard Limited Agreement Act, 1979 In Order To Ratify, Confirm And Adopt An Amending Agreement Entered Into Between Her Majesty The Queen In Right Of The Province Represented By The Honourable The Minister Of Development And Abitibi-Price Inc", (Bill No. 57).

MR. WINDSOR:
Mr. Speaker.

MR. SPEAKER (Russell):

The hon. the Minister of Development.

MR. WINDSOR:

Thank you, Mr. Speaker.

I will take just a few moments to introduce this piece of legislation. It is basically, of course, an amendment to the existing agreement which was put in place back, I guess, in 1976, or something of that order. Actually, the Act was put through in 1979. At the time of the agreement, the takeover by Abitibi of the Labrador Linerboard operation, it was agreed that the company would deposit into a trust account the sum of \$1 million, which was to be utilized for the construction of a second machine at Stephenville, provided, of course, forest resources could be made available for the operation of that machine. It has been determined now, Mr. Speaker, and I have a letter from the Minister of Forestry, that as a result of their very careful examination of the forest potential on the Island, they are not in a position to make available to Abitibi sufficient resources that will allow a second machine to operate economically at Stephenville. As a result of that, in some discussions and negotiations with the company, we have agreed, since this money belongs to the company, the principal and all interest accruing is the companies. Under the present act they are entitled to it as of December 31, 1987. If the Province has not been able to identify forest resources sufficient to allow a proposed second machine to operate economically, then it is theirs as

of December 31, 1987. The Minister of Forest Resources and Lands (Mr. Simms) and his officials determined that they will not be in a position to make such resources available, so there is really no point in holding that money. It is better for us to make it available to the company so that it can be utilized for other purposes. So it is a simple amendment, Mr. Speaker, to change the act to release that amount of money to the company, and I look forward to intelligent comments from members opposite.

MR. BARRY:
Mr. Speaker.

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

MR. BARRY:
Mr. Speaker, this is a disappointing piece of legislation. It just goes to show the value of these vague undertakings, and we saw a number of those vague undertakings in the Kruger act. Mr. Speaker, I only hope that the government and the minister will have better results in holding Kruger to the undertakings which that company gives than they have been able to in the case of the linerboard, Abitibi-Price. Where has all the wood gone? Is it the spruce budworm? Where have all the trees gone? Are they leaving the Province as well? Are the trees leaving now?

MR. NEARY:
No, we imported the spruce budworm from New Brunswick to look after that.

MR. BARRY:
Mr. Speaker, what has changed from the time this agreement was

entered into? Was it just a sham, a charade at that time, or was their any real expectation that this could be done? What new information has been revealed since this agreement was signed that would indicate that the supply of wood is not there? Does the minister have a copy of the letter from the Minister of Forest Resources and Lands (Mr. Simms)? Would he make it available? What is it, a one-liner, 'There are no trees'?

DR. COLLINS:
Sure there was a Ministerial Statement on that.

MR. TULK:
A Ministerial Statement? We have been telling you that for years, for God's sake.

MR. BARRY:
I wonder what the situation is with respect to the timber rights that are held by Kruger? Is there any timber there that they are not going to be utilizing?

MR. TULK:
I guess there is.

MR. BARRY:
What have they done? They have confirmed the 1938 Bowater Act. As we indicated in the debate on the Kruger bill, or on Bill 37, I forget which, Mr. Speaker, there are a lot of experienced foresters in this Province who believe that the spruce budworm problem has come about, to a large extent, because Bowater, specifically, had too much of its timber overmatured and the disease was hitting the matured trees that were beginning to rot.

MR. TULK:
The whole of the Gander block.

MR. BARRY:

The Gander Block is an example.

Mr. Speaker, it is disappointing to see government, members opposite drop their fine principles with respect to forest management. At the first bark from Kruger, they dropped all their forest management practices and put the 1938 Act back into force, they reconfirmed that act that was passed in 1938. Now you can imagine the improvements and the changes in forest management practices that have taken place elsewhere since then, and what is the government opposite doing? Taking this Province back fifty years.

MR. SPEAKER (Russell):

Order, please!

May I just interrupt the hon. the Leader of the Opposition (Mr. Barry).

Is it agreed to stop the clock for a while?

SOME HON. MEMBERS:

Agreed.

MR. SPEAKER:

Agreed.

The hon. the Leader of the Opposition.

MR. BARRY:

This government, Mr. Speaker, in the area of forest management as in so many other areas, is taking the Province backwards rather than ahead. We have gone back fifty years in the case of forest management. I believe, Mr. Speaker, that there should be, from what I read, sufficient timber, if properly shared and managed between Bowater and Abitibi-Price, to ensure and to

permit the installation of a second newsprint machine at Stephenville. What we have seen again, Mr. Speaker, is bad management, lack of proper approaches by government, the inability to negotiate with Abitibi-Price to ensure that that other machine went into operation.

MR. TULK:

The person who is suffering now is the domestic woodcutter and the small sawmill operator.

MR. BARRY:

Yes, the domestic woodcutter and the small sawmill operator come way down on the totem pole, as far as members opposite are concerned. There are no more sawmill licences, the trees are rotting on the stumps, falling down, are more and more susceptible to disease and they are taking us back to the 1938 Bowater Act as their solution to forest management. It is very disappointing and we feel that this act is evidence of yet another failure on the part of the present administration.

MR. FENWICK:

Mr. Speaker.

MR. SPEAKER (Russell):

The hon. the member for Menihek.

MR. FENWICK:

I was referring before, Mr. Speaker, to the fact that this is Christmas. We have already had Christmas for the Baie Verte mine, now we are about to have Christmas for Abitibi-Price and, of course, we all know what kind of presents all the workers of the Province lost last week. So we have had a very uneven Christmas this year, I am afraid.

Unlike the Minister of Development

(Mr. Windsor), I really do not believe this is just an innocuous little piece of legislation here, I think it really tells us one thing. I do not know if we have ever heard it before, but it is very clear that this second machine that Abitibi-Price was obligated to put in place in Stephenville is now officially down the tubes, and the excuse that is being given by the government opposite is that there is not enough wood available to warrant opening up the second machine.

I took the liberty of going back through Hansard, the original debate on the Labrador Linerboard mill, and I would like to quote just a couple of excerpts from the ministers of the day who were talking about the Labrador Linerboard agreement, and talking about how great this particular thing was. This is the Minister of Lands and Forests, or whatever he was called then, the man who was member for Bonavista South, I believe, and I quote him: 'Not only that, but the mill is going to see the installation of a second machine which will see double the number of people employed in that area of the Province, to a total of approximately 1,700 people.' This is one of his quotes. Another one: 'In fact, a few weeks ago I sat down with Price-Abitibi officials and discussed with them the timber required to operate the mill. One of the concerns I had as Minister of Lands and Forests, and one of my predecessors concerns as well, is to make sure we have an adequate supply of timber for the operation of the mill, and for the first machine 150,000 cunits of wood are required. That amount has been assured to the company for the

first machine and we are now looking at and allocating sufficient wood supplies for the second machine.' My question is, what really happened to the trees? To echo the comments of the Leader of the Opposition (Mr. Barry), what happened to the trees? Quite frankly I do not care how many spruce budworm there were in the Province, and I know quite a bit about that, they did not have the ability to wiper out 150,000 cunits a year, and if they had them in 1979 when we were discussing this legislation, then it seems to me they would be still around. I quote again from the then Minister of Lands and Forests: 'We have given them sufficient wood supply to keep the mill going. We will allocate sufficient wood supplies for the second machine and in return we expect to work in a good spirit of co-operation and co-ordination between government and the company concerned.' So it seems to me that we had trees somewhere in 1979. And these are not equivocal statements on the part of these ministers, or unequivocal, or whatever the case is, what they are saying is, "We have got the trees, we have got the forest lands, it is just a matter of rounding it up and putting it across." What has happened in the last five or six years? Well, I think that one of the things that has happened is we have seen the markets soften and what we are seeing is a subterfuge by the government of trying to say that there are not the forest resources available and they are using that as an excuse for allowing Abitibi-Price off the hook, the \$1 million hook. I do not know if it is earning interest, but the \$1 million hook might be \$1.25 million by now, since we are

talking six years of interest as well. By the way, there are a few other ministers, the always exciting and interesting to hear Minister of Labour, the current Minister of Labour, I am not sure what he was back then. I have talked about what is going to happen with one machine. Abitibi did not stop there, they said, "In 1987 we will put in another machine." You were not talking about 600 or 700 jobs then, you were talking about something like another 580 in the mill alone, 580 more jobs in 1987. It continues on, 'We will put in a second machine and just about double the employment.' Well, it is nice to be able to say these things but let us see it in black and white, let us see it down on the paper. Well, Mr. Speaker, they say, "We will take \$1 million, put it in the place of your choice, let it accumulate interest, and in 1987, if the machine is not there it is yours". And I suggest to you that since the machine is not there that is our money. We are talking about \$1 million that by default Abitibi-Price now owes to the provincial government. Whether the Minister of Forest Resources and Lands (Mr. Simms), the current one, has now done a disappearing act with the trees and has managed to hide them from somebody, I do not know. The fact of the matter is, it was very clear back then that the woods allocations were there, they could clearly be turned over, and now, all of a sudden, we have a letter which I would tend to suggest, by the way, probably is an excuse for allowing Abitibi-Price off the hook rather than the actual reason for it.

By the way, I have gotten some comments from the House Leader, who was also just as enthusiastic about this idea of having \$1

million in security and now wants to give it back: 'The government was not just satisfied with the blanket undertaking then as a sop so that they could get the deal that there would be a second machine in the paper mill, they agreed to put one in and they put themselves under penalty.' Lo and behold, they agreed to put another mill in operation, and the other mill in operation will be there in 1983 which, as far as I know by doing my addition and subtraction, was last year, all things being equal. And they go on. And he does mention that there being a supply of wood, he tends to be a little bit more legalistic and cautious than were the Ministers of Forestry. And he concludes his speech, "In my opinion, this bill is a jewel in the crown of the government." I would suggest to you that the jewel has probably been jarred loose, or it is becoming somewhat tarnished. I have a few other comments here by other ministers. By a Mr. - I do not know what his position was, but by Mr. Doody. I do not know what to refer to him as since he is no longer in the House, but I guess he is Senator Doody now, "We have an undertaking from the company to put in a second machine within five years, I think it is. In the event they do not, then they are obligated to forfeit the \$1 million that is now in an escrow account at one of the banks, the trust companies in the Province in order to facilitate the operation or installation of that second machine."

Now why I brought this up is because I think it was very clear back then that the Minister of Lands and Forests who is not here right now, or the person who was that at that time, very clearly had some concept of what lands

would be turned over to them, and I think if the minister is now going to say that there are no forests, there are no trees available to be turned over, that he has an obligation to tell us what endeavours were made in order to find these woodlands. And, by the way, I think he has an obligation to tell us why the plug was not pulled on the Bowater deal when they were clearly defaulting on their contract in 1938 and then some lands could have been liberated at that point in time and turned over to Abibiti-Price. That is one of the untold questions of Bill 52, the one that we previously passed, the one on the Kruger deal, why the plug was not pulled in the first place.

I am suggesting to you that our forest practices, although improving over the last decade, are still so far from adequate that we may indeed have some sort of a shortage at this point, but it seems to me those confident statements of those ministers made back then, when Abitibi-Price took over the mill in Stephenville, which, by the way, I along with everybody who lives in the immediate area were very much enthusiastic about, but I knew very well, as did the member from Stephenville (Mr. Stagg), and members from the surrounding area, that this was no gift on the part of Abitibi-Price, Abitibi-Price received something like \$150 million to \$200 million in tax credits from the losses of that mill in the previous years, and, to tell you the truth, got a mill for just about nothing, probably less than nothing, because they got the tax credit to go with it and now have been very successful. And I do not begrudge them being successful, if I had been offered something and I was

in a position to take advantage of it, I certainly would have done the same thing myself.

What I am saying to you is there has been an abdication of responsibility by the government on the other side. They have not looked for the forest lands, or at least they have not shown us any evidence that any search was made, they have not made any attempt to liberate wood from Bowater which clearly was in a position where it could not have resisted any attempt to take some of the lands required to put in that second machine, and, as a result, one of the major obligations undertaken by Abitibi-Price, that is to twin the machine, to put a master machine in there and employ those hundreds and hundreds of extra people, as the minister so glowingly recorded back in that time period, they have defaulted on all that and now, to make matters worse, instead of taking the \$1 million which clearly Abitibi-Price should now forfeit because it cannot put in the second machine, they are deciding to give it back to them, and not only give it back to them, but to give it back to them nice and early by passing in this amendment so that they can give them another Christmas present. All I argue with you is that either Abitibi-Price has as much influence with a particular government as, for example, Kruger probably did in the last number of bills we are looking at, or there is total incompetence on the part of the government in terms of living up its obligation to find these forest lands or at least make some effort to, to turn them over to the company so that it would be in a position to start putting that paper machine in place. Because the statements are

so glowing and so confident, and I do not believe that the Minister of Lands and Forests back at that time would possibly misdirect the House, because, obviously, that is not the kind of thing good parliamentarians would do, I believe that the situation did exist where the lands were available, the resources were available, and either the government by its incompetence did not go ahead and pursue that and turn it over to them, or they did have the stuff available and Abitibi-Price told them, "Look, the markets are soft, we do not think we can expand any more, we would like our \$1 million back and this is by way of a great Christmas present for Abitibi-Price." These are the only comments I will make. I do not want to go too much farther into it, because I know everybody wants to clue it up. As far as I am concerned, this is not as onerous as Bill No. 37, but it certainly is the same kind of thinking, that for the corporations nothing is good enough, as we have seen for Baie Verte just a few minutes ago, as we are now seeing for Abitibi-Price, but for the workers themselves, nothing is too mean to foist on them.

MR. SPEAKER (Russell):

The hon. member for Stephenville.

MR. STAGG:

Mr. Speaker, I am not drawn to my feet by the importunings of members opposite. It gives me an opportunity to express some opinions both on the bill and on the presence of Abitibi in the Stephenville area. Now certainly I am disappointed, Mr. Speaker, that this situation exists, I am disappointed that the glowing forecasts of 1979 have not come to

pass, and it has been outlined in some detail by my friend opposite. I am sure that the ministers at that time were making these comments indicating that a second machine was imminent, if not imminent at least within the next eight years, that events have overtaken them and these events are well documented. We have had an extensive spray programme in Newfoundland for the past number of years, opposed by the NDP I believe, Mr. Speaker, so that there is a considerable difficulty that has been encountered by forest managers in Newfoundland in that the spruce budworm and other pests of the forests have rendered it quite difficult to even supply wood to the existing mills. I am disappointed that this is not going to happen at this time, but that is not to say, Mr. Speaker, that it will not happen at all. All that is happening here is that at the present time the government is unable to indicate to Abitibi Price that they can confirm a wood supply. Now a wood supply is a very important ingredient in any paper mill. In the Labrador Linerboard operation it was necessary to bring in wood from Labrador which, while it was the highest quality and the best wood in the world, and certainly a paper mill in Labrador would not be a bad idea, that wood was extremely costly, and the shipping season was relatively short, so that that particular circumstance, the cost of wood from Labrador, brought about, to some extent, the demise of Labrador Linerboard. There are other reasons as well, of course, that were subject to some debate and comment over the years. As for Abitibi-Price being given a sweetheart deal, I think that is generally what the member for Menihek (Mr. Fenwick) was saying, well, this would be in

keeping with the philosophy of his party, that at all costs the private sector should be pilloried and you should exact tribute from them, and if you cannot exact tribute from them, you take them over and the people who work in these plants become public servants. Now, I have been through that, Mr. Speaker, I have been through government involvement in the paper industry. I was elected in 1971 and part of the election campaign that we carried on at that time -

MR. TULK:

That was in 1972.

MR. STAGG:

No, this hon. member was elected in 1971. I had the temerity, Mr. Speaker, to go out and get elected when it was really tough to get elected in this Province, as did Mr. Speaker, on 28 October 1971. When it became easy to get elected in Newfoundland, as it did in March 1972, we saw some other people get elected.

MR. BARRY:

Where were you in 1975 when we really needed you?

MR. STAGG:

I realized the Province was in good hands, Mr. Speaker, so I retired temporarily from politics. I was not retired by the electorate in 1975, I retired voluntarily in 1975. Now the hon. member was retired by the electorate and he may get the opportunity to experience that exercise again. In any event, Mr. Speaker, I was part of it. The government took over Labrador Linerboard, it was Javelin Paper Mill at that time, and it operated that mill. I would say that it was a noble experiment and the motives and the principles

espoused were of the highest order. It was a promise made by government and it was a promise kept.

MR. BARRY:

The operation was successful but the patient died.

MR. STAGG:

The hon. member is not without certain epigrams of wisdom that occasionally waft from his lips. But in any event, that patient did die in 1977 and almost took our town with it at that time. So I do not want to see, ever again, in this Province the government being involved in the private sector. It was the only mill in the Western world by a government, and I do not want to see government putting extreme pressures on companies to do things simply because of a political commitment. Now, the Department of Forest Resources and Lands have made their study. They have experts who advise government, and they are men of integrity, Mr. Speaker, and if there is not a wood supply out there, and a paper machine requires a significant amount of wood, it requires in the vicinity, I guess, of nearly 200,000 cords of wood annually, it is not a trivial matter to tell a company, You must go into operation. It is a very expensive operation. As far as Abitibi itself is concerned, Mr. Speaker, it is a corporate citizen of the highest order. It has moved into our community and it has exhibited exemplary characteristics as far as its involvement with the town goes. It receives very little services from the town of Stephenville, the municipality of Stephenville. Practically all of its services are self-contained and, yet, during the construction period it paid, I believe it was

\$250,000 a year as a grant in lieu of taxes, and now it pays for the foreseeable future, I believe it is another five years, \$400,000 a year. That \$400,000 a year is matched by the government's matching grants of forty-five cents to the dollar, which amounts to approximately \$200,000 - I think it is \$190,000 extra money that comes in. So it is almost \$600,000 that comes into the municipality of Stephenville.

MR. BARRY:

What does the member pay in taxes every year?

MR. STAGG:

What do I pay in taxes every year?

MR. BARRY:

What do you pay in property and water taxes?

MR. STAGG:

Property and water tax, \$500 or \$600 a year, something like that. The Leader of the Opposition (Mr. Barry) is worried that he is subsidizing my taxes in Stephenville? I must pass this on to the electorate in Stephenville.

MR. BARRY:

The rest of Stephenville I do not mind, but yourself ...

MR. STAGG:

The hon. member is rather nasty this afternoon, is he not? I was sitting here listening to the member for Menihek (Mr. Fenwick) making what I thought was a very good speech -

MR. BARRY:

Here I was minding my own business, standing here in her closet.

MR. STAGG:

- from his left of center position

that he has been ordered to take by his pink colleagues. So, Mr. Speaker, I do not think I can say very much else about this other than to say I am disappointed. It was not unexpected.

MR. NEARY:

Come on over.

MR. STAGG:

I have been privy to some of the deliberations on this and, indeed, it is a disappointment. But it is not as if we are losing something we had. This is a circumstance in which, for the nonce, this project will not go ahead. That is not to say that by a dint of hard work and competent silviculture practices the Abitibi mill will not eventually expand in Stephenville. As a matter of fact, it is now making the best paper in the world. There are markets in which Abitibi is afraid to put its paper because its paper is so good that the customers will not accept the less superior paper from other mills owned by Abitibi. That is the case. It gets into the Japanese market. And as my colleagues who have recently sojourned in Osaka and in Tokyo and wherever know, the Japanese are fastidious about many things, one of which is the kind of paper they use in their newspapers. The Abitibi group have broken into the Japanese market. They are very strong in the German market. It is unfortunate that the exchange is such that, to some extent, they lose money.

MR. TULK:

Come on over. Come on over.

MR. STAGG:

Hon. members opposite are not interested in hearing about this major facility in Stephenville.

MR. BARRY:

This is a bill of failure.

MR. STAGG:

It is a bill of reality. Anyway, Mr. Speaker, we are quite proud of Abitibi in Stephenville. They are excellent corporate citizens. Their staff are fitting in quite nicely. Stephenville will never be a mill town, it will never dominate the town as they do in some places. I am sure that in the final analysis, in due course, by proper and intense silviculture efforts that will be exercised on the West Coast, that eventually the success of the first machine in Stephenville will be expanded upon, there will be an expansion, and it will happen as a result of the company wanting to expand and there being an adequate wood supply in the area. They are being released from this obligation at this time and I think it is appropriate that it be done. It is disappointing, but I am confident that in the future Stephenville will continue to be a world leader in the production of paper for the fastidious consumer.

On motion, a bill, "An Act To Amend The Labrador Linerboard Limited Agreement Act, 1979 In Order To Ratify, Confirm And Adopt An Amending Agreement Entered Into Between Her Majesty The Queen In Right Of The Province Represented By The Honourable The Minister Of Development And Abitibi-Price Inc.", read a second time, ordered referred to a Committee of the Whole House presently, by leave. (Bill No. 57).

Motion, second reading of a bill, "An Act To Amend The Financial Administration Act, 1973". (Bill No. 45).

MR. SPEAKER (Russell):

The hon. the Minister of Finance.

DR. COLLINS:

Mr. Speaker, there are a number of clauses to this bill. I will just go through them very quickly.

Clause 1 (1) would authorize the Minister of Finance to invest a portion of the Consolidated Revenue Fund in securities guaranteed by a chartered bank. Now this is what most jurisdictions already do, so we are putting ourselves in line with other Canadian jurisdictions. The reason for doing that is to provide increased investment yield on our revenues and also give us greater investment flexibility.

Mr. Speaker, there is no loss of security in doing this because we now can invest directly in bank securities, and there is really no difference in a security that is directly owned by a bank and one guaranteed by a bank.

Clause 1 (2) is more or less consistent with the first one in that it also will give the Minister of Finance authority to sell securities. If you buy them, I suppose you also have to have the authority to sell them.

Clause 2 relates to year-end invoices. There was a difficulty there, Mr. Speaker. For years invoices that related to a fiscal year were paid to the end of the month after the end of the fiscal year. Now we recently got an opinion from Justice that there was some difficulty about that, in that the wording of The Financial Administration Act said that you could pay in April invoices you receive in April but it did not allow you to pay in April invoices you received in March.

MR. BARRY:

Did the Auditor General get the Comptroller's comments on that?

DR. COLLINS:

Yes, the Comptroller had to refuse to pay some of these invoices when this Justice opinion came forward because that was the new interpretation of that clause in The Financial Administration Act and that had to be overruled. His refusal had to be overruled by Treasury Board and then this all had to be tabled in the House, which is what The Financial Administration Act requires, and, therefore, if it is in The Financial Administration Act it is perfectly legal to do so. So that is what happened. Now this amendment here will get over that difficulty, it will make clear what has always been understood and that is that invoices received in a financial year or in the month after the end of the financial year but related to the financial year can be paid up to the end of April, that is the month following the end of the financial year.

Clause 3 relates to the fact that the act at the present time says that permanent heads of departments are the ones responsible for heads of expenditure. Well, some departments have more than one head, that is public servants of an equivalent status, they have more than one - a department head can have, say, two deputy ministers. This is to allow flexibility there, that in cases like that the Lieutenant-Governor in Council may designate which officers in a department are responsible for those certain heads or subheads of expenditure.

Clause 4 is very similar to Clause

1 (1) there in that it allows investment of sinking fund monies in securities guaranteed by chartered banks. It is the same thing and, again, it is to improve the yield as well as give the investment flexibility.

Clause 5 (1) is similar to Clause 1 (2) in that it allows the Minister of Finance to sell those securities. So it is the same sort of argument.

Clause 5 (2) is merely a housekeeping thing, it just clarifies the name of the sinking fund. It will change the name to Newfoundland Government Sinking Fund. It is purely a housekeeping thing to avoid a certain amount of confusion that is in the act now.

Clause 6 is that despite the confidentiality provisions in certain acts the Auditor General will be given access to certain taxation statutes that are administered through the Department of Finance. He will have access to those returns for his audit purposes, under certain agreements into which we have entered with the Auditor General, both to satisfy his requirements and to satisfy the requirements that The Financial Administration Act lays on the Comptroller General to maintain confidentiality in the interest of the individual citizen who makes returns and pays taxes.

So, Mr. Speaker, with those words of explanation I move second reading.

MR. NEARY:

Mr. Speaker.

MR. SPEAKER (Aylward):

The hon. the member for LaPoile.

MR. NEARY:

Mr. Speaker, let me say at the outset that this is another move on the part of the administration to strip this House of its authority, to remove the power of the purse from the floor of this House down to the Cabinet room. That is what it is. It is a major, major change to The Financial Administration Act.

DR. COLLINS:

We have heard that song before.

MR. NEARY:

Yes, and you will hear it again, too. The hon. gentleman will go down in history in this Province as the one Minister of Finance who did more to remove the power of the purse from the House of Assembly than any of his predecessors. Mr. Speaker, the tragic part of it is that the Government House Leader (Mr. Marshall), who was the defender of the public purse when he was on this side of the House, is now aiding and abetting the administration in stripping the House of its authority. We are here primarily to protect the public purse. Everything else we do is incidental. I am sure my colleague, the member for Menihek (Mr. Fenwick), who is a lecturer and an academic, will know more than I the real reason we are in this House. The House was established in the first place to receive revenues and disperse money, taxpayer money, money that was collected. Everything else that happens in the House is just incidental.

DR. COLLINS:

That is why the House is being asked to ratify this.

MR. NEARY:

Yes, and that is why we are being

asked now to give the hon. gentleman authority to do something that has never been done, in my opinion, in British Parliamentary history, and that is to use money from one budget to pay bills that were incurred under another budget.

MR. TULK:

In a previous fiscal year.

MR. NEARY:

In a previous fiscal year. What the hon. gentleman is doing and what he did, and the Comptroller of the Treasury was justified in pointing out to the hon. gentleman that he broke the law, what they are saying now is let the bills run into the next fiscal year. Mr. Speaker, when you budget for a certain amount of money, then you are obligated to live within that budget. What the hon. gentleman is telling us now is that the departments will not have to live within their budget, they can incur debts and bills and take them out of next year's budget.

DR. COLLINS:

Do you really not understand what I explained, or are you just debating?.

MR. NEARY:

Mr. Speaker, I understand it more than the hon. gentleman does. The things I keep an eye on are The Financial Administration Act and the reports of the Comptroller General and the Auditor General. What the hon. gentleman is doing now is telling us that he cannot estimate, that he cannot budget.

Do you know what this means, Mr. Speaker? This means, once this becomes law, that they can go over by \$10 million, \$15 million, \$20 million, \$100 million in last year's budget and pay the bills

out of next's years estimates. That is what the hon. gentleman is doing.

DR. COLLINS:
That is not so.

MR. NEARY:
Yes, Mr. Speaker, that is precisely what the hon. gentleman is doing. It is not the bills coming in and being paid for out of last year's budget, that is no problem, there is provision already for that. There is, Mr. Speaker. Bills can come in after the end of the fiscal year and be paid out of the allocations in the various departments for last year. That is not what the hon. gentleman is doing here.

DR. COLLINS:
That is what it does.

MR. NEARY:
That is not what it does, no, Mr. Speaker.

DR. COLLINS:
You may not understand it.

MR. NEARY:
I understand it. Mr. Speaker, it is common practice for bills to come in after March 31 and be paid for out of last year's estimates. That is perfectly normal.

DR. COLLINS:
That is right, and that is what this is doing.

MR. NEARY:
That is not what it is doing.

MR. TULK:
No, no.

MR. NEARY:
The budget for the previous year could be used up, and the bills paid for out of next year's

estimates, Mr. Speaker, that is what they are doing.

DR. COLLINS:
No, it would be in the same fiscal year.

MR. NEARY:
Mr. Speaker, in my opinion, it is a bad, bad practice indeed. We have a Comptroller of the Treasury. The Comptroller of the Treasury is one of three servants of this House, one of three, the others are the Ombudsman and the Auditor General. The Comptroller of the Treasury is a servant of this House.

DR. COLLINS:
No, he is not.

MR. NEARY:
No? Well who is he the servant of, the hon gentleman?

DR. COLLINS:
He is under a statutory obligation, but that does not make him a servant of this House. The Auditor General is a servant of the House, but not the Comptroller General.

MR. NEARY:
The Comptroller General is a servant of this House.

DR. COLLINS:
You have always had that back to front.

MR. NEARY:
No, I have not had it back to front.

The Comptroller General is given the authority, when he so sees fit, to object to any payments that he thinks are being made illegally from the Public Treasury. He did it on two occasions, and on two occasions he

was overruled by a crowd of flunkies on Treasury Board.

DR. COLLINS:
According to the act.

MR. NEARY:
Oh, according to the act.

Mr. Speaker, when they get caught with their finger in the cookie jar, what they do then is change the law, they amend the act to make legal what they were doing illegally. This is a very dangerous practice. I am opposed to this sort of thing, and I am sure my colleagues are opposed to it.

Mr. Speaker, we have a situation now, in the last Auditor General's report that was tabled in this House, where the Auditor General criticized the administration for spending money without the authority of the House after the election was called. The House was in session. They could have been given interim supply. They did not ask for interim supply, they did not bring down a budget, they just prorogued the House, called an election, and then went off and spent a couple of hundred million dollars without the authority of the House, and every constitutional expert in Canada said it was wrong.

DR. COLLINS:
I think it is exaggerated slightly.

MR. NEARY:
Senator Forsey said it was wrong, Professor Scott of McGill University said it was wrong, the Comptroller of the Treasury said it was wrong, but the Minister of Finance (Dr. Collins) in this Province said it is right. Everybody is out of step but the Minister of Finance.

DR. COLLINS:
McNab did not say it was wrong.

MR. NEARY:
They all said, it was wrong.

DR. COLLINS:
No, not McNab and McGuillycuddy.

MR. NEARY:
They said it was unconstitutional.

MR. TULK:
For him to say it is right, we would all imagine it was wrong.

MR. NEARY:
Now, Mr. Speaker, let us talk about the Auditor General. I think I have made the point before and I will continue to make it. I want to talk about this restriction that they are placing on the Auditor General. Did hon. gentlemen look at this act closely? If they did, they will see that the Auditor General complained in his last report that he did not have access to certain information regarding the retail sales tax in this Province, and the Minister of Finance refused to give the Auditor General access to certain information that the Minister of Finance (Dr. Collins) considered to be confidential.

MR. TULK:
Oh, he considered it?

MR. NEARY:
The Minister of Finance considered it to be confidential. Misinterpreting the act again, by the way. A misinterpretation of the act, that the hon. gentleman considered certain information in connection with the retail sales tax to be confidential and would not give the Auditor General access to it. Can you imagine?

Now they have a big row going on

now up in Ottawa about the Auditor General having access to certain information. But now the hon. gentleman brings in this bill and says he is going to give the Auditor General access to the information, but he must have somebody looking over his shoulder all of the time.

DR. COLLINS:

What is wrong with that?

MR. NEARY:

What is wrong with it? The Auditor General should be allowed the freedom to examine records at his own discretion. What happens if we have a long weekend? What happens if the official is off on sick leave? What happens if the official is on vacation? The Auditor General cannot carry out his audit?

Now, Mr. Speaker, here are the ones they tell us that the Auditor General will have to audit with somebody looking over his shoulder: There is The Financial Corporation's Capital Tax Act, The Forest Land Management And Taxation Act, The Gasoline Tax Act, The Insurance Premiums Tax Act, The Mineral Holdings Impost Act - the Auditor General has to have a watch dog, has to have somebody looking over his shoulder while he is auditing these accounts - The Retail Sales Tax Act and The Tobacco Tax Act.

Now, Mr. Speaker, if I asked the Minister of Finance (Dr. Collins) to give us the value of the tax collected by these agencies of government, how much would he say is involved?

DR. COLLINS:

A lot of money.

MR. NEARY:

A lot of money. How much?

DR. COLLINS:

A whole lot.

MR. NEARY:

\$373 million is my estimate. \$373 million, 47.2 per cent of current account revenue, excluding what we get from the Canadian Government.

DR. COLLINS:

Where did you get that figure?

MR. NEARY:

That figure I got from the budget, from the little circles the hon. gentleman had there where he had them divided up, carved up.

\$373 million collected by the Minister of Finance (Dr. Collins), 47.2 per cent of current account revenue, exempting what we get from the Government of Canada, 25 per cent of all revenue in the Province, and the Auditor General is not allowed to have free access to this information, he has to have a watchdog. If he goes into an office and asks for the records, he has to have somebody there acting as a watchdog. He has to have a policeman. There is a policeman there watching him.

DR. COLLINS:

He has to have an agent of the Comptroller General.

MR. NEARY:

He has to have somebody from the Comptroller General's department there looking over his shoulder. No other province of Canada has this type of procedure. The Government House Leader (Mr. Marshall), I am sure, does not agree with it, does not approve of it.

MR. MARSHALL:

He has me reamed down.

MR. NEARY:

The hon. gentleman is reamed out, alright, Mr. Speaker.

Mr. Speaker, I am going to vote against this bill.

DR. COLLINS:

You are not!

MR. NEARY:

I am going to vote against it, I do not know about my colleagues.

DR. COLLINS:

You will be asking me to strengthen this act by the time I am finished replying to your particular statements.

MR. NEARY:

You talk about stripping and gutting acts and bills! The Financial Administration Act, by the way, is the bible by which the Minister of Finance (Dr. Collins) and the Comptroller of the Treasury are supposed to govern themselves in looking after and disbursing public money. It is the bible! You would not dare amend it. Unless you were on a bad trip or something, you would not bring in these kinds of amendments. No other administration ever did it in the history of this Province.

The Auditor General should have no restrictions at all placed on him.

MR. TULK:

Right.

MR. NEARY:

And when you look at the magnitude of the revenues for 1982 - 1983, \$373 million collected by these agencies, the Auditor General should not, Mr. Speaker, be impeded, restricted, he should be free. Mr. Speaker, if we had the time tonight we should have the

same row as the Auditor General is having in Ottawa. It is the first time, I suppose, in British parliamentary history where the Auditor General has to go to an agency and ask to audit their books and they say, 'We are sorry, but you have to get a representative from the Comptroller's Office to go with you while you are doing the audit, to hold your hand.' Why? Why is this restriction there? Why?

DR. COLLINS:

Sit down and I will tell you.

MR. NEARY:

The hon. gentleman cannot justify it.

DR. COLLINS:

I can, in fact.

MR. NEARY:

You certainly cannot. There is no justification for it, it is indefensible.

Mr. Speaker, when they start stripping the Public Tendering Act

DR. COLLINS:

I will be acclaimed by the time I give my explanation.

MR. NEARY:

You will be acclaimed, alright! The hon. gentleman will be taken out in front of the building and hanged in effigy.

Mr. Speaker, in the dying moments of this session of the House, and the House will probably not meet again, it will not continue, there will be no continuation of this session, there will be a new session of the House sometime in the Spring, we will be back to ratify the offshore agreement -

DR. COLLINS:

We have more bills to do yet.

MR. NEARY:

We have more bills to do, but I am talking about doing a bill of this magnitude, a major, major bill in the dying moments of this session of the House. And, Mr. Speaker, we cannot give it full debate, it is impossible. You cannot do it justice. I cannot think of enough words to describe the damage that this bill is going to do. We will soon find ourselves in this House and the public treasury will be unprotected.

MR. YOUNG:

You do not need that when you have a good minister.

MR. NEARY:

Yes, he is a great minister for balancing the budget and for estimating, a great minister for that! He is only 500,000 or 600,000 per cent out in his estimates every year!

MR. YOUNG:

That is what he is not, he is out less than 1 per cent.

MR. NEARY:

Less than 1 per cent? \$27 million up to \$56 million of a deficit in current account is only 1 per cent, a bit of loose change in his pocket!

Mr. Speaker, I am completely exhausted.

SOME HON. MEMBERS:

Hear, hear!

MR. NEARY:

But I am also completely demoralized over the fact that hon. gentlemen there opposite sit back like trained seals, like sheep, toddling along behind the

Minister of Finance (Dr. Collins) and the Government House Leader (Mr. Marshall) -

MR. TULK:

Blackmailed by them.

MR. NEARY:

- and being blackmailed by the hon. gentlemen. And somehow or other, they do not seem to worry about the fact that the power of the purse is being removed from the floor of this House. I am opposed to the legislation.

DR. COLLINS:

Do not make a decision yet, wait until you hear my argument.

MR. NEARY:

There is no justification for putting somebody in a room with the Auditor General while he is auditing the books. It is unheard of! The hon. gentleman knows that. How silly and foolish and childish can you get?

DR. COLLINS:

I have the answer for you.

MR. NEARY:

You do not have the answer. There is nothing in these acts confidential enough to keep from the Auditor General. What is wrong? Do they not trust the Auditor General?

MR. TULK:

They do not trust anybody.

MR. NEARY:

The Auditor General is the watchdog of the public treasury who answers to this House, and they do not trust him enough to let him go in and audit the accounts of these agencies without having somebody sitting there looking over his shoulder. The hon. gentleman cannot use the

argument of confidentiality because it is not justified.

Mr. Speaker, I am opposed to this and I am going to vote against it.

MR. SPEAKER (Russell):

If the hon. the minister speaks now, he closes the debate.

DR. COLLINS:

Mr. Speaker, I always enjoy the hon. the member for LaPoile's (Mr. Neary) debates. He really puts his whole heart and soul in it. Even though he really knows that he does not have much to sell, he does such a good job that I really enjoy it.

I just cannot let him leave on the record, in case some future student will come along, not knowing the hon. the member for LaPoile, and say, 'My gosh, did he not make some good arguments there that were not countered?' So I do have to put it on the record.

With regard to year-end invoices, Section 24(1) of the Financial Administration Act states, 'All balances of appropriations remaining unexpended at the close of the fiscal year shall lapse, except for invoices received during the month of April, which relate to liabilities incurred prior to March 31st. Now, as I mentioned earlier, the Department of Justice recently gave an opinion that during the April period, the old invoices that could be paid and charged to the old year were invoices actually received in April, not invoices received in March or earlier. Now, prior to that the interpretation put on the act was different, you know, the sensible interpretation was put on it, that is, that invoices relating to the old year received in April could

be paid in April, or invoices received before the end of the year but which were not paid before the end of the year could be paid in April. That is the sensible way. However, you have to go with the Justice opinion. So this now will do what has been done from time immemorial in this Province, any invoices related to the old year, whether they are received in the old year or whether they are received in April, can be paid out of the budget for the old year.

Now, I can be even clearer, if that is possible, on the second point that the hon. member brought up about the Auditor General, because I will table this letter here. This letter is a copy of a letter received from the Auditor General and dated June 7. It refers to this act and it states in part: "I believe we have now agreed on the course of action which is acceptable to me and which will give me unlimited access to the sales tax files.

"We have agreed on the following points: 1) The Auditor General's staff will run its CAAT programme on the RSD computer terminal." In other words, his computer programme will be run on our terminal, he has agreed to that; 2) Bernard Cook, who is the Comptroller General, or some other official designated by you, will be present at all times while my staff is running the computer programme." The Auditor General has agreed to that.

'The Retail Sales Tax Division will receive the duplicate copy of all computer printouts which are generated as a result of CAAT.' He has agreed to that. 'The Auditor General's Department will continue to absorb the computer

costs incurred in the course of carrying out the RST audit and so on.' Finally, 'You will prepare for the Minister of Finance a Cabinet submission which will result in either an amendment to the taxation legislation or The Financial Administration Act' - and that is what we are doing here now, we have prepared the amendment and this is what the Auditor General wanted - 'and resolve once and for all any problems associated with my access to taxation files.' I will table this.

So that shows that the Auditor General is quite in favour of this arrangement. He asked us to have an amendment brought in to ratify this agreement that was reached between us and that is exactly what we are doing. So with those comments that are totally blowing the arguments, the spurious arguments, the debating arguments, the fun arguments that the member for LaPoile (Mr. Neary) brought forward, I move second reading.

On motion, a bill, "An Act To Amend The Financial Administration Act, 1973," read a second time, ordered referred to a Committee of the Whole House presently, by leave. (Bill No. 45).

MR. MARSHALL:

Mr. Speaker, I think with leave of the House the hon. Minister of Finance (Dr. Collins) has a report or two that will be of interest to the hon. gentlemen that he would like to table.

MR. SPEAKER (Russell):

Does the hon. the Minister of Finance have leave to table reports?

SOME HON. MEMBERS:

Agreed.

MR. SPEAKER:

The hon. the Minister of Finance.

DR. COLLINS:

Mr. Speaker, I thank hon. members for agreement to go out of the ordinary Order of Business in the House. It is for the purpose of tabling the public accounts for the year ending March 31, 1984, the regular public accounts, and, for the first time at this early date, the public accounts relating to Crown Corporations are also being tabled. They have never been tabled at this early date before. At the same time, I table the Auditor General's Report on the public accounts for that year and, in addition, I table the Departmental Observations on the Auditor General's Report. These all pertain to the fiscal year 1983-84.

MR. TULK:

That should be interesting Christmas reading.

DR. COLLINS:

Can I just add a word to that?

MR. NEARY:

Sure:

DR. COLLINS:

If hon. members wish, they can wait for a week or two when we will give them the regular printed copy of the Auditor General's Report. You can have them in a sort of loose leaf form now, the way they are presented, but we will also do them in a more regularized printed form.

MR. MARSHALL:

Mr. Speaker.

MR. SPEAKER:

The hon. the President of the Council.

MR. MARSHALL:

We invite hon. gentlemen to compare the public accounts of the last few years and the observations. Nobody can make anything at all out of the observations from the Auditor General. It shows what kind of an administration this administration is running and how the Minister of Finance (Dr. Collins) is running his department. It is absolutely amazing.

MR. NEARY:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for LaPoile.

MR. NEARY:

Mr. Speaker, I am more interested in what the Auditor General has to say than what the ministers have to say, trying to weasel their way out of the corners they get themselves in, and the blunders they make, and the Auditor General has to comment on them. I will base my judgement on the Auditor General's Report and not on what the Minister of Finance tells us. On motion, that the House resolve itself into Committee of the Whole on said Bills, Mr. Speaker left the Chair.

Committee of the Whole

MR. CHAIRMAN (Aylward):

Order, please!

A bill, "An Act Respecting The Department of Labour." (Bill No. 49).

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

A bill, "An Act Respecting The

Department Of Consumer Affairs And Communications." (Bill No. 43).

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

A bill, "An Act Respecting The Department Of Career Development And Advanced Studies." (Bill No. 42).

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

MR. MARSHALL:

Order 14, Bill No. 46.

A bill, "An Act To Provide For The Exemption Of Baie Verte Mines Inc. From Taxes Imposed By The Retail Sales Tax Act, 1978." (Bill No. 46).

On motion, clauses 1 through 5, carried.

MR. BARRY:

Mr. Speaker, may I ask a question?

MR. CHAIRMAN:

The hon. the Leader of the Opposition.

MR. BARRY:

I asked the minister to indicate what the likely cost to government would be? Do you have any estimate at all? That is the Baie Verte one.

DR. COLLINS:

The hon. the Minister of Finance.

MR. BARRY:

Well, the cost will really relate to what new equipment they get in for extension. The retail sales tax does not apply to spares for equipment already there and that type of thing. If they expand the operation and therefore have to

acquire equipment or put up new sheds and that sort of thing related to the operation -

MR. BARRY:

It is not just the equipment, it is the purchase of goods as well.

DR. COLLINS:

Yes, but new goods. It is not spares and things that they use in the operations that are now ongoing, it is intended to permit the construction or the expansion of the operation there. So it is really hard to estimate, because we do not know what their expansion plans are.

Motion, that the Committee report having passed bill No. 46 without amendment, carried.

A bill, "An Act To Amend The Labrador Linerboard Limited Agreement Act, 1979 In Order To Ratify, Confirm And Adopt An Amending Agreement Entered Into Between Her Majesty The Queen In Right Of The Province Represented By The Honourable The Minister Of Development And Abitibi-Price Inc." (Bill No. 57).

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

A bill, "An Act To Amend The Financial Administration Act, 1973." (Bill No. 45).

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

A bill, "An Act To Consolidate The Law Respecting The Department of Education." (Bill No. 44).

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

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

MR. SPEAKER (Russell):

The hon. member for Kilbride.

MR. AYLWARD:

Mr. Speaker, the Committee of the Whole have considered the matters to them referred and have directed me to report the passing of Bills Nos. 49, 43, 42, 46, 57, 45 and 44 without amendment and ask leave to sit again.

On motion, report received and adopted, bills ordered read a third time presently, by leave, Committee ordered to sit again on tomorrow.

On motion, the following bills were read a third time, ordered passed and their title be as on the Order Paper:

A bill, "An Act Respecting the Department of Labour." (Bill No. 49)

A bill, "An Act Respecting The Department of Consumer Affairs and Communications." (Bill No. 43)

A bill, "An Act Respecting The Department of Career Development And Advanced Studies." (No. 42)

A bill, "An Act To Provide For The Exemption Of Baie Verte Mines Inc. From Taxes Imposed By The Retail Sales Tax Act, 1978." (No. 46)

A bill, "An Act To Amend The Labrador Linerboard Limited Agreement Act, 1979 In Order To Ratify, Confirm And Adopt An Amending Agreement Entered Into Between Her Majesty The Queen In Right Of The Province Represented By The Honourable The Minister Of

Development And Abitibi-Price Inc." (Bill No. 57)

A bill, "An Act To Amend The Financial Administration Act, 1973". (No. 45)

A bill, "An Act To Consolidate The Law Respecting The Department of Education". (No. 44)

MR. SPEAKER:

The hon. the President of the Council.

MR. MARSHALL:

Mr. Speaker, His Honour, the Lieutenant-Governor is on his way so I would ask that we adjourn for a few moments until he comes.

MR. SPEAKER:

Is it agreed we adjourn for a few moments to await the arrival of His Honour, the Lieutenant-Governor?

SOME HON. MEMBERS:

Agreed.

MR. SPEAKER:

Agreed.

Order, please!

SERGEANT-AT-ARMS:

Mr. Speaker, His Honour the Lieutenant-Governor has arrived.

MR. SPEAKER:

Admit His Honour the Lieutenant-Governor.

SERGEANT-AT-ARMS:

It is the wish of the Lieutenant-Governor that you all be seated, please!

MR. SPEAKER:

It is my agreeable duty on behalf of Her Majesty's dutiful and loyal subjects, Her Faithful Commons in Newfoundland, to present to Your

Honour a Bill for the appropriation of Supplementary Supply granted in the present Session.

A bill, "An Act For Granting To Her Majesty Certain Sums Of Money For Defraying Certain Expenses Of The Public Service For The Financial Year Ending The Thirty-First Day Of March One Thousand Nine Hundred And Eighty-Four and For Other Purposes Relating To The Public Service". (Bill No. 23)

HON. W.A. PADDON

(LIEUTENANT-GOVERNOR):

In Her Majesty's Name, I thank Her Loyal Subjects, I accept their benevolence, and I give assent to this Bill.

MR. SPEAKER:

May it please Your Honour, the General Assembly of the Province has at its present Session passed certain Bills, to which, in the name and on behalf of Her Majesty, I respectfully request Your Honour's assent.

A bill, "An Act To Amend The Boiler, Pressure Vessel And Compressed Gas Act". (No. 2)

A bill, "An Act To Amend The Livestock Act". (No. 4)

A bill, "An Act To Amend The Dispensing Opticians Act". (No. 7)

A bill, "An Act To Repeal The Gander Development Corporation Act, 1975". (No. 14)

A bill, "An Act To Amend The Occupational Health And Safety Act". (No. 18)

A bill, "An Act To Revise The Judicature Act". (No. 21)

A bill, "An Act Respecting The Award Of Bravery". (No. 25)

A bill, "An Act To Incorporate The Certified General Accountants Association of Newfoundland". (No. 47)

A bill, "An Act To Amend The Medical Act, 1974". (No. 51)

A bill, "An Act To Ratify, Confirm And Adopt Certain Agreements Entered Into Between The Government Of The Province, Kruger Inc. And Other Parties Respecting The Future Operation And Modernization Of The Corner Brook Newsprint Mill". (No. 52)

A bill, "An Act To Amend The Labour Standards Act". (Bill No. 37)

A bill, "An Act To Amend The Newfoundland Human Rights Code". (No. 59)

A bill, "An Act Respecting the Establishment And Operation Of The Newfoundland and Labrador Institute Of Fisheries And Marine Technology". (No. 39)

A bill, "An Act To Amend The Companies Act". (No. 53)

A bill, "An Act Respecting Collection Agencies And Collectors". (No. 38)

A bill, "An Act To Provide For The Calling Of Tenders For The Execution Of Public Works And The Acquisition Of Goods And Services By Government Funded Bodies". (No. 40)

A bill, "An Act To Provide For the Calculation And Consideration Of The Provincial Content Factor In The Awarding Of Tenders By Government Funded Bodies". (No. 41)

A bill, "An Act To Amend The Schools Act". (No. 55)

A bill, "An Act To Remove Anomalies And Errors In The Statute Law (No. 2)". (No. 48)

A bill, "An Act Respecting The Department Of Labour". (No. 49)

A bill, "An Act Respecting The Department Of Consumer Affairs And Communications". (No. 43)

A bill, "An Act Respecting The Department of Career Development and Advanced Studies". (No. 42)

A bill, "An Act To Provide For The Exemption Of Baie Verte Mines Inc. From Taxes Imposed By The Retail Sales Tax Act, 1978". (No. 46)

A bill, "An Act To Amend The Labrador Linerboard Limited Agreement Act, 1979 In Order To Ratify, Confirm And Adopt An Amending Agreement Entered Into Between Her Majesty The Queen In Right Of The Province Represented By The Honourable The Minister of Development And Abitibi-Price Inc.". (No. 57)

A bill, "An Act To Amend The Financial Administration Act, 1973". (No. 45)

A bill, "An Act To Consolidate The Law Respecting The Department Of Education". (No. 44)

HON. W.A. PADDON

(Lieutenant-Governor):

In Her Majesty's Name, I assent to these Bills.

Mr. Speaker, I would like to take this opportunity to wish yourself and all hon. members of this House a very merry Christmas and a happy New Year in a well deserved way.

MR. SPEAKER (Russell):

The hon. the President of the Council.

MR. MARSHALL:

Mr. Speaker, before moving the adjournment of the House I would like to express appreciation to the Opposition for their co-operation today. I would like to wish everybody, the staff in the House who have done such a good job this session, as they have every session, members of the press, Pages, Hansard and members of the Opposition best wishes for a merry Christmas and a happy New Year. I hope the hon. gentleman's New Year, particularly, will be happy one way or the other.

Mr. Speaker, before I move the adjournment of the House I think I should explain things so that everyone will know why we are doing what we are doing. We do not prorogue the House at this period in time in case it is necessary to call the House back again. We are going to adjourn the House to a day, an approximate time, when the House would be recalled. Therefore, Mr. Speaker, I move that when this House adjourns today it will stand adjourned until Tuesday, February 26, 1985, at three of the clock provided always that if it appears to the satisfaction of Mr. Speaker or in the case of his absence from the Province, the Chairman of Committees, after consultation with Her Majesty's government that the House should meet at an earlier time than the adjournment, the Speaker or in his absence, the Chairman of Committees may give notice that he is so satisfied and thereupon the House shall meet at the time stated by such notice and shall transact its business as if it had been duly adjourned to that time.

I should add, Mr. Speaker, I look forward to then seeing hon. gentlemen there opposite if, in the meantime, they have not had a nervous breakdown worrying about elections.

MR. BARRY:

Mr. Speaker.

MR. SPEAKER (Russell):

The hon. the Leader of the Opposition.

MR. BARRY:

Mr. Speaker, before we have the adjournment I would like to join with the Government House Leader (Mr. Marshall) in expressing our best wishes to the staff and to yourself, Your Honour. There has been a lot of work and a lot of long hours put in and I am sure all hon. members of the House appreciate that the staff were inconvenienced in the process. I would like to, on behalf of the Opposition, extend best wishes for a Happy New Year and Merry Christmas to all members of the House of Assembly.

Thank you.

On motion, the House at it rising adjourned until tomorrow, Tuesday, February 26, 1985, at 3:00 p.m.