



Province of Newfoundland

FORTIETH GENERAL ASSEMBLY
OF
NEWFOUNDLAND

Volume XL

First Session

Number 14

VERBATIM REPORT
(Hansard)

Speaker: Honourable Patrick McNicholas

Thursday

16 May 1985

The House met at 3:00 p.m.

MR. SPEAKER (McNicholas):
Order, please!

MR. OTTENHEIMER:
Mr. Speaker.

MR. SPEAKER:
The hon. the Minister for Intergovernmental Affairs.

MR. OTTENHEIMER:
Mr. Speaker, I believe it is agreed by all members that we will dispense with all routine orders today, as is customary on Budget Day, and proceed directly to the Budget Speech.

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

DR. COLLINS:
Mr. Speaker, I move that this House resolve itself into a Committee of Ways and Means and that the Speaker do now leave the Chair.

I have the honour today of presenting the seventh Budget of the Peckford Administration. Over the years, our budgets have consistently stressed a number of themes - the promotion of our comparative advantages for the fostering of sustainable economic growth; an emphasis on private sector expansion, in rural areas as well as urban areas; the direction of scarce Government dollars into activities likely to render maximum benefits; and the need for financial responsibility in Government operations.

Budgets must reflect prevailing economic conditions and their impact on Government's financial resources. Because of this, the Peckford Government is aware that it is not always possible to meet

all demands for public services. We are therefore especially gratified by the vote of confidence placed in us by the electorate of this Province on April 2nd past. The people of Newfoundland and Labrador have clearly demonstrated that they appreciate a style of Government which is frank and open and which bases its policies on sound management principles. We intend to continue managing our resources in a manner fully reflective of the trust they have placed in us.

Mr. Speaker, this budget is brought down at a time when a new political era commences for our country. The election of the Mulroney Government in Ottawa last September set the stage for a refreshing change in attitudes all across the Land. Co-operation has replaced confrontation, and compromise displaced intransigence. Nowhere are the fruits of this new spirit more evident than in our own Province. The Atlantic Accord, signed between the two Governments last February, put an end to the long-standing dispute over the management and development of our offshore hydrocarbon resources. The Agreement is economically beneficial to both orders of Government and, perhaps of greater importance, brings a new dignity to this Province and its people. Where previously we were recipients of handouts and were reliant on the generosity of others, we will now directly engage in the development of a resource we ourselves brought into Canada, thereby contributing to our own welfare and that of other areas of the Country. As we see it, this illuminates the very core of the Canadian Confederation.

As we enter into the latter half

of the 1980's, we can reasonably hope that the economic upheavals of the 1970's and the early years of the present decade lie behind us. While some economic and financial problems give evidence still of the recent recession, we can state with confidence that our Provincial economy has turned the corner and is poised for a period of steady, even dramatic, growth. The Hibernia Oil Field is nearing development, and established industries are adapting to changing global markets and technological conditions. The world beyond our shores is looking at our Province with renewed interest.

Having successfully met the challenges of the past several years, the Peckford Government looks forward with enthusiasm to the opportunities presented by our emerging economic prospects.

ECONOMIC REVIEW

Mr. Speaker, the Newfoundland economy benefited greatly in 1984 from the strong performance of the North American economy. Real growth in Gross National Product of 6.9 per cent in the United States and of 4.7 per cent in Canada resulted in increased demand for the Province's major exports, especially iron ore and newsprint. The strong performance in those sectors in particular helped contribute to the achievement of a 4.1 per cent real growth in Provincial Gross Domestic Product last year.

Let me briefly review sectoral performances during the year just ended.

The Province's forestry sector experienced strong recovery in 1984. The uncertainty which had

surrounded the Corner Brook newsprint mill dissipated with the sale of the operation to Kruger Incorporated of Montreal. Strong demand in the United States, in conjunction with the devalued Canadian dollar, resulted in an increase of 14.4 per cent in Newfoundland's newsprint production during 1984, with all three newsprint mills operating at near capacity and little downtime during the year.

As Government forecast a year ago, the Province's mining industry began to recover from the recession in 1984, and the output actually recorded was even stronger than originally anticipated. The dominant iron ore sector increased production by 19.5 per cent, responding to the surge of consumer spending in the United States, particularly on automobiles. Asbestos production at Baie Verte increased significantly in 1984. The discovery of gold deposits by BP Selco at Cinq Cerf on the Southwest Coast resulted in increased mineral exploration in 1984, while renewed interest was also shown in adjacent areas and around Bay d'Espoir.

On a somewhat less positive note, the growth and output which had been expected in the fishing industry during the year was not realized due to a poor inshore fishery and the strike against Fishery Products International which shut down offshore fishing efforts for much of the year. Total landed value for the fishery declined by 14.5 per cent. However, the year ended more positively because of the signing of long-term contracts for both trawlermen and plant workers.

Activity in the construction

sector also declined in 1984, though to a lesser degree. The decline stemmed from a decreased level of private sector investment and a reduction in the number of housing starts, offset somewhat by increased public sector investment. An exception to the general trend was the level of new investment in the oil and gas sector. Exploration expenditures in 1984 totalled approximately \$600,000,000, with five companies involved in drilling operations and 2,350 workers at peak employment.

The Province's service industries achieved real growth of 2.8 per cent on average in 1984. The community, business and personal service group exhibited the strongest growth whilst retail sales increased slightly in excess of the rate of inflation. Automobile sales, however, increased significantly by 15.1 per cent for the year.

ECONOMIC OUTLOOK

Mr. Speaker, Government is projecting that the Newfoundland economy will expand at a real rate of 3 per cent in 1985, as measured by the Gross Domestic Product, whilst the rate of inflation is expected to approximate 3.5 per cent - 4 per cent.

The fishery is expected to contribute positively to economic growth in 1985. With prevailing conditions in the major United States market showing some improvement over last year, and with a full year's production in the offshore sector, plus some improvement in inshore catches, the fishing industry should improve its performance significantly relative to 1984.

A further increase in mining industry output is forecast for the year ahead as iron ore production continues to benefit from the sustained strength anticipated for United States' car sales. The outlook for this sector is also brightened by the reactivation of the St. Lawrence Fluorspar Mine which we hope will be underway later in the year.

Newsprint production will fall slightly in 1985, but only as a temporary side effect of the modernization programs currently underway at the Province's two older paper mills in Corner Brook and Grand Falls. Not only will this program ensure a viable industry in future years, but jobs created by the modernization projects will help sustain employment in the short-term and will offset, to some degree, the impact of lower production levels.

Anticipated increases in private sector investment, with enhanced activity in the housing sector, should result in an improved construction season in 1985. Offshore exploration activities are expected to maintain the high level established in 1984, with most operations engaged in exploratory drilling on new geologic structures. With Newfoundland companies demonstrating an increased ability to service the offshore, added stimulus will be provided to the Provincial economy.

Most of the service industries in the Province are expected to match last year's performance of between 2.5 per cent and 3 per cent real growth. This includes the retail trade sector, where growth should be spurred on by heightened consumer confidence and some reduction in rates of personal

savings.

Mr. Speaker, in summary, the economy of Newfoundland and Labrador is gaining strength. In 1984, we experienced stronger growth than we had expected from our resource industries. We expect that momentum to continue. Growth should be fairly evenly distributed throughout all sectors of our economy in 1985.

Let me dwell for a moment in somewhat greater detail on our most exciting prospect for economic growth.

The Atlantic Accord

Mr. Speaker, in the course of my last Budget Speech, I spoke at some length about this Province's quest for equity in the treatment of petroleum resources in our offshore area.

During the closing months of the year just ended, the new Government in Ottawa rekindled the flame of Confederation by demonstrating a long-absent attitude of fairness and sensitivity to legitimate concerns in all the regions of Canada. This fundamental change in approach gave quick realization to the object of our own quest for equity. On February 11th past, the Right Honourable the Prime Minister of Canada and the Honourable the Premier signed in St. John's the Atlantic Accord.

Mr. Speaker, I cannot emphasize too strongly the importance of that document for the economic future of our Province. It gives Newfoundland and Labrador the right to collect revenues from resources under the sea in the same manner as if those resources were under the land area of our

Province; in other words, in the same way as we do the petroleum-producing Provinces of Western Canada. At last, we are being treated fairly, and we have never sought more than that.

Equally as important, the Atlantic Accord gives to this Province the tools we believe are essential to ensure that resource development takes place in a manner to optimize economic spinoff activity in the local economy. This will be possible because the Government of Newfoundland and Labrador has the ultimate decision-making authority over which mode of development is chosen for the offshore resources, constrained only by concerns for national security and self-sufficiency to which we readily subscribe. This ability to shape crucial decisions will enable us to expand the industrial base of our Province and increase the level of employment in the years immediately ahead, before revenues from actual oil production begin to flow to our Treasury.

Mr. Speaker, the Accord also recognizes that it will be necessary to make additional focused public expenditures, so that the Province can maximize the benefits I have mentioned. For this reason, it provides an Offshore Development Fund of \$300,000,000 over the next five years specifically for those purposes. The Government of Canada is to contribute 75 per cent of the Fund. This is further evidence of the commitment by the new Government in Ottawa to assist Newfoundland and Labrador in discarding its current status as Canada's most economically disadvantaged Province. As the Prime Minister has repeatedly said, he is "not afraid to inflict

prosperity on Newfoundland and Labrador".

A final major provision of the Atlantic Accord is that which provides an orderly phase-down of equalization payments when resource revenues begin to flow. By means of the negotiated formula, we can close the economic gap existing between ourselves and our sister Provinces at a pace which is rapid yet equitable.

Mr. Speaker, to recapitulate, we have now achieved the co-management goal we have sought with the Government of Canada for petroleum resources in our offshore area. The uncertainty which had existed for a decade is removed, the framework for development is in place, and we are on the threshold of moving forward into a development phase.

Mr. Speaker, yesterday Mobil Oil (Canada) Limited, on behalf of the Hibernia partners, submitted its Environmental Impact Statement for the Hibernia Development Project - the first step in its development phase. That document describes the impacts of the principal alternatives for development presently under consideration. It does not indicate a preferred choice, which Mobil is required to bring forward by August 15th of this year. The final decision on the mode of development will be made partly on the basis of technical considerations and partly on economic considerations. Over the months ahead, Government will engage in negotiations with Mobil as to the fiscal regime which will be applied to the Hibernia project. During this important process, we will seek to maximize revenue flows to the Province, balanced as required by the promotion of local

industrial activity arising out of the development.

We expect Mobil to negotiate vigorously for its interests. We will negotiate just as vigorously for the interests of the people of Newfoundland and Labrador. The significance of the Atlantic Accord is that it provides us with the means of negotiating effectively.

By the end of this calendar year, we expect the principal negotiations to have been completed and the report of the Federal/Provincial Hibernia Review Panel to have been submitted. It is our hope that the governmental approvals necessary to see actual work commence will be given before the beginning of the next fiscal year, that is, before April, 1986.

1984-1985 FINANCIAL REVIEW

Mr. Speaker, in my last Budget, Government forecast a deficit on Current Account of \$32,300,000 for 1984-1985. Over the intervening months, our budgetary position changed somewhat as I have already publicly outlined in successive financial review documents. Our latest estimates indicate that the deficit for the past fiscal year was \$82,400,000.

The reason for the increased Current Account deficit is to be found on the revenue side of the ledger rather than on the expenditure side. One major change from the original budgetary projection was a drop of almost \$30,000,000 in expected tax and transfer revenues arising from downward revisions by the Government of Canada. These negative revisions accounted for almost 60 per cent of the deficit increase. Other declines in

Current Account related revenues resulted in the main from lower interest earnings on our cash balances, and from unexpected delays experienced in receiving certain cash recoveries.

Mr. Speaker, on the expenditure side, Government's original 1984-85 forecast for gross Current Account has come in almost totally on target. We are please, justifiably I believe, with these results, which reflect the stringently careful management efforts carried out by all arms of Government under the aegis of our expenditure restraint program.

Table 1 of the printed document summarizes our financial performance for 1984-85 compared to the Budget projections.

BUDGET STRATEGY

Mr. Speaker, I have already mentioned the emerging economic climate, and the Province's prospects for growth in the balance of the 1980's. The 1985 Budget has been developed at a time when the full impact of the expected economic growth has yet to be felt. Consequently, Government revenues will not rebound strongly enough this year to bring about a spontaneous improvement in our financial position, despite a continuation of expenditure restraint measures. At the same time, we clearly see a need to provide increased financial stimulus in certain areas to take full advantage of future prospective developments, and for broadening our Provincial economic base. A prime objective is the promotion of employment growth, to which Government continues to attach the highest priority.

There can be no doubt that the major engine of economic growth must be a strong, vibrant private sector. Accordingly, the 1985 Budget builds on initiatives previously instituted by this Government to foster and encourage a healthy private sector.

In pursuing our objectives, Government must also be mindful of our financial limitations and the need to maintain our financial credibility. We have developed a reputation as responsible financial managers which we must jealously preserve.

Mr. Speaker, accordingly, the Province's 1985 Budget strategy is designed to:

- * Contain the Current Account deficit at a level less than 1984-85;
- * Provide further incentives to stimulate and spur on private sector expansion;
- * Give greater emphasis to employment creation; and
- * Expand the Capital Account program to provide needed infrastructure for future development and assist employment growth.

In the printed document the second table provides details of our 1985-86 budgetary position.

The Table outlines that the projected effect of our strategy is an increase of 7.3 per cent in fiscal revenues and an increase in net expenditure of 6.4 per cent, thereby producing a Current Account deficit of \$72,800,000 in 1985-86, a decrease of \$9,600,000 from the previous fiscal year.

The Table underlines that the Capital Account program is significantly expanded, designed to assist economic recovery in vital areas and to provide additional resource and social infrastructure where most needed. Gross Capital Account expenditures will, therefore, amount to \$350,500,000, compared to \$247,300,000 in 1984-85. Taking into account offsetting related revenues, the net Capital Account borrowing requirements are \$243,200,000, compared to \$168,400,000 last year.

In summary, the total net budgetary borrowing requirement will be \$316,000,000, whilst our requirement for debt retirement is projected to be \$99,000,000, so that our total borrowing program for 1985-86 will be \$415,000,000. These requirements will be met by taking up loans available to us from the Canada Pension Plan Fund and through bond issues in the domestic and international capital markets.

EXPENDITURE MANAGEMENT PROGRAM FOR 1985-86

Mr. Speaker, this Government has followed a strategy of expenditure restraint for the past several years and must continue to do so in 1985-86 in view of the Current Account position just described.

Government is resolved to continue reductions in salary expenditures and in streamlining Government services. In recent years, we have eliminated or kept vacant over 800 jobs reflecting an average vacancy rate of 8 per cent in Government departments, and have limited new job approvals to critical needs. Selective hiring freezes have been imposed and recruitment of temporary personnel

has been significantly restricted. As well, in 1984 we had to adopt a two-year salary scale freeze for all public servants. At the same time, we considered it necessary not to grant an increase to pensioners and this policy will continue in 1985-86. We have also allocated minimum funding for departmental operating expenditures such as building maintenance and utility services. Firm expenditure control and monitoring procedures are continuing for all Government departments.

As evidence of our continuing commitment to restraint, the 1985 Budget reflects the maintenance of most Current Account programs with minimal increase for inflation. However, there are a few areas where additional restraint measures have been taken which I will now outline briefly.

As part of an ongoing review of transportation subsidies, Government has decided that the subsidy for the Bonne Bay ferry service will be eliminated this year as of September 30th. The Budget contains funds to complete the upgrading and paving of the road around Bonne Bay, and as Government indicated several years ago, the ferry subsidy will be removed when this road work has been completed. This will represent an annual saving to Government of about \$130,000. As well, Government has decided to reduce the airfare rebate paid to residents of Labrador travelling to or from the Island portion of the Province from 25 per cent to 20 per cent of cost, with effect from June 1st, 1985. This will result in a saving of almost \$100,000 annually.

In addition, the subsidy to the

St. John's Metropolitan Area Board for the cost of providing services to areas within the Board's jurisdiction not receiving a full range of municipal services has been discontinued. It is Government's position that residents living within a municipal jurisdiction should themselves bear a tax load compatible with the cost of providing municipal administration and services to them.

Several years ago, when interest rates reached particularly high levels, Government introduced a special grant to School Boards to assist with the high carrying costs of debt associated with school construction. Initially, an amount of \$2,500,000 per annum was provided. As interest rates fell, Government reduced the total amount available to \$1,250,000 in 1983-84. This amount will be further reduced to a total of \$625,000 in 1985-86. At the same time, in recognition of the financial implications of declining enrollments on some schools, Government has increased the allocation for that component of the School Board operating grant by \$450,000 in 1985-86.

Mr. Speaker, in contradistinction to additional restraints just mentioned, the Budget includes increased levels of funding for certain ongoing Government activities, dictated by increased public need, and arising out of reassessments of program priorities.

Social Services

The Department of Social Services will continue the process begun several years ago of deinstitutionalizing the care of certain individuals by

substituting more desirable services based in communities at or near their own homes. Residential services for children and young adults with special needs will, therefore, be expanded through the establishment of 14 new group homes - 9 for the care of the mentally retarded, 3 for juvenile corrections purposes, and 2 in the general area of welfare for neglected and mistreated children. These group homes will involve an additional expenditure of \$2,100,000. Offsetting these expenditures is the already announced phase-down of Exon House, in which the number of residents is expected to decrease from 70 to 30 by the end of the fiscal year. Community support services for these young people will be expanded through day programs, vocational training and diversion programs for juvenile offenders at a further additional cost of \$800,000.

Government presently operates two developmental maximization units for mentally disabled young people at Springdale and Old Perlican. An additional \$280,000 is being provided in this Budget to establish a third such unit in St. John's.

In 1982, this Administration introduced legislation setting up the Alcohol and Drug Dependency Commission to develop and deliver services to people with problems relating to alcoholism. Since that time, the total expenditure on these services has increased each year, and I am pleased to announce that in this Budget, funds are being provided for an expansion of services in Labrador at an annual cost of \$200,000. As well, \$150,000 of additional financing will be made available to the Alcohol and Drug Dependency

Commission to employ five new counsellors for the Province.

I am pleased to inform the House that an additional \$100,000 has been provided in this Budget for an expansion in day care services. The start-up grant for day care centres will be doubled from \$500 to \$1,000. Additionally, the Government will increase its subsidy assistance to parents using licenced day care centers.

Provision has also been made, Mr. Speaker, for a 4 per cent increase in regular Social Assistance and the Labrador fuel allowance effective April 1st, 1985. In addition, a 4 per cent increase in child welfare allowances, foster home allowances and foster children's clothing allowances will also be provided.

Health Services

In the 1983 Budget, I announced that Government would establish a Royal Commission on Hospital and Nursing Home Costs. The Commission was established to rationalize the system to control the ever-increasing expenses of our hospitals and nursing homes. Last year, after receiving the Report, we implemented a number of its recommendations including those which resulted in the budgets of hospitals and nursing homes being frozen, some for as long as three years. Recently, Government formally endorsed the Report of the Royal Commission and implemented a further major recommendation by transferring the responsibility for nursing homes and chronic care institutions from the Department of Social Services to the Department of Health. This will provide for a more co-ordinated approach to services

and care. Other actions to continue implementing the recommendations of the Report this year include:

- * A Provincial hospital and nursing home bed-needs study;
- * An increase in the hospital equipment budget from \$5,000,000 to \$6,000,000; and
- * An additional \$500,000 to assist with extra staffing for nursing homes.

A further major recommendation of the Royal Commission Report was the funding of the St. John's Hospital Council to make recommendations with respect to the most effective and efficient organization of hospital services within the St. John's area for the period up to the year 2000. The Council has already submitted an interim report outlining available options, and has since been asked to provide specific recommendations on the organization and costs of services. A final report is expected by the end of this year.

Government is also working closely with the Newfoundland Hospital Association, which represents hospitals and nursing homes throughout the Province, aiming to develop an implementation strategy with respect to the full range of the Commission's recommendations.

Culture, Recreation and Youth

Mr. Speaker, the Peckford Government continues to place a high priority on the promotion of cultural, recreational and youth activities. Accordingly, the Budget contains several initiatives in this area:

- * Funding is expanded for the secondary touring circuit, which is designed to bring arts programming to communities not being serviced by Arts and Culture Centres.
- * Representatives of our youth and youth agencies will be responsible for activities within the Province relating to the International Youth Year. An amount of \$100,000 is included for this program.
- * In addition to an allocation of \$500,000 for the Newfoundland and Labrador Games and the Canada Games, funding of \$360,000 has been provided for the second Labrador Winter Games, to be held in Goose Bay in March, 1986.

Forest Resources

Government is committed to the maintenance and improvement of our forest resources. Considerable funds and effort have been invested in silviculture and other forest management activities over the past several years pursuant to subsidiary agreements with the Government of Canada. Although such activities as planting and thinning provide much needed employment now, essentially they are long-term investments in the future of the industry. Our efforts on intensive forest management will continue during 1985, utilizing funds remaining in the current Subsidiary Agreement, while negotiations are ongoing for a replacement agreement.

The expansion program at the Provincial Wooddale Tree Nursery in the Grand Falls area will be completed during 1985, which will enable the Nursery to produce 12,000,000 to 15,000,000 seedlings

per year. Silviculture programs on company-held lands will be increased under cost-shared agreements with the pulp and paper companies.

The Province is committed to the protection of our forest resources against both insects and fires. A major increase in funding is being provided this year to conduct a spray program against the spruce budworm and the hemlock looper. The program will be cost-shared with the private sector which will provide two-thirds of the total funding of \$3,500,000.

Fisheries

Over the past several years, Government has helped to alleviate the impact of high interest rates on costs experienced by inshore fishermen by providing interest relief through its Fishing Vessel Assistance Program. However, in recent months, the financial plight of certain sectors of the inshore fishery has again become a matter of concern. For this reason, Government will be undertaking an early review of the Bank Loan Guarantee Program which provides for interest supported loans to inshore fishermen in the \$50,000 to \$1,000,000 range. It should be noted that the 1985-86 Budget provides, in addition to direct loans and bounties totalling \$5,400,000, approximately \$1,000,000 in interest subsidies to facilitate the ongoing program of new vessel construction.

Agricultural Support

Government is firmly committed to improving the viability of the agriculture industry.

As a new Agriculture Subsidiary

Agreement has not yet been signed with the Government of Canada, the Budget commits \$1,000,000 of Provincial funds for high priority capital initiatives. Included are farm production incentives for capital improvements and operational incentives and assistance.

The Budget contains funding of \$1,000,000 to subsidize hog producers in the Province. A subsidy will be paid by Newfoundland Farm Products Corporation in order to protect producers from the effects of recent declines in the national price. By this means, the continued viability of the industry is enhanced and long-term plans are being formulated to improve the stability of the industry.

STIMULATION OF THE PRIVATE SECTOR

Mr. Speaker, in addition to the higher funding of ongoing support activities which I have just outlined, at this time Government has decided to bring in certain new measures to help small business in all areas of the Province. One of the basic principles of the Peckford Administration's economic policy over the years has been the promotion and encouragement of an energetic private sector. It will be remembered that in the Budget last year, I announced a 2 per cent cut in the Corporate Income Tax rate for small businesses.

In like vein, Mr. Speaker, I am very pleased to announce that Government has decided to impose no new tax measures in the Budget I am now presenting. Furthermore, there will be no increases in existing taxes this year, nor will the various fees charged for

services by Government departments be increased. Also, the Newfoundland Liquor Corporation will not be increasing the Provincial markup this year. In making these announcements, Government's intention is to provide encouragement to consumers and businesses to increase spending in the year ahead, which in turn will stimulate further economic activity.

More in line with our policy of fostering small business development, and despite the financial constraints placed upon us, Government has nevertheless decided to bring in new tax exemptions designed to assist small business in the Province to grow and to make needed improvements enabling them to meet the challenges ahead.

Tax Exemptions

The Budget I am introducing provides a number of specific tax exemptions for the benefit of the tourist industry and of other businesses and entrepreneurs, particularly in rural areas.

Effective June 1st, 1985, individual visitors to Newfoundland and Labrador who purchase goods while staying in the Province will be able to apply for a refund of Retail Sales Tax paid on taxable purchases of at least \$100. Experience in some other provinces has demonstrated the value of this measure for tourist promotion.

Second, tax exemptions will be made available to operators of group tours visiting the Province. Bus tour operators, as well as hunting and fishing package tour operators will be able to apply for a Retail Sales

Tax exemption on meals and accommodations included in their tour packages, where overnight accommodation is supplied, and for a gasoline tax exemption on fuel consumed while conducting tours in the Province. These benefits, as well as the previously mentioned measure, should enhance tourist development throughout the Island and in Labrador.

The recently signed Federal/Provincial Tourism Subsidiary Agreement will infuse some \$20,000,000 into the economy over the next four years. It will provide funding as an incentive for the private sector to upgrade existing facilities catering to tourists, as well as provide financial assistance towards the creation of new and better tourist attractions.

Mr. Speaker, I am also pleased to announce a number of other stimulative measures which should help business growth and development in rural areas. Effective midnight tonight:

- * Purchases of electricity and fuel consumed in farming will be exempt from Retail Sales Tax;
- * Purchases of trapping equipment and supplies by commercial trappers will be exempt from Retail Sales Tax;
- * Purchases of handcrafted products, such as sewn or knitted products, woodwork and pottery will be exempt from Retail Sales Tax; and
- * In order to encourage the development of a wood and peat fuel industry in rural Newfoundland, equipment used in peat burning systems and handling, storage and emission

control equipment in commercial wood and peat burning systems will be exempt from Retail Sales Tax. This latter exemption is effective as of January 1st, 1985.

Mr. Speaker, I would like to acknowledge at this time the valuable contribution we receive from a number of groups in the Province whose considered views were taken into account during the preparation of the Budget. In particular, I would like to thank the St. John's Board of Trade and the Economic Council of Newfoundland and Labrador. The Economic Council put forward a number of recommendations for tax exemptions and we have been able to implement some of these in the Budget, as I just outlined. Other recommendations put forward by the Council will be reviewed in detail for possible implementation at a later date. We look forward to continued input from the Economic Council and other groups in formulating future budgetary policy.

Other Assistance Programs

Mr. Speaker, in addition to the new tax exemption program, and to the enhanced funding measures I have just announced, Government intends to continue other measures that have proved valuable over the years in preserving the viability of certain small business activities.

Government intends to continue assisting companies which from time to time are in need of short-term financial assistance, through the means of providing loan guarantees to banks and other financial institutions on their behalf. These guarantees have been particularly helpful to

resource-based small business undertakings. In the fishing industry alone, over the past three years, Government has supported small and medium-sized fish processing firms throughout the Province which otherwise had difficulty in obtaining working capital. At the present time, some 25 companies are being assisted through loan guarantees totalling approximately \$12,000,000. In this way we have been able to sustain approximately 4,500 jobs in the processing sector of the fishing industry. Other resource sector companies have benefited from this policy as well.

As is well known, the offshore sector of the fishing industry has been subjected to a major financial restructuring, initially requiring an approximate \$32,000,000 financial commitment from the Province. We remain firmly committed to the overall spirit of the Canada/Newfoundland Fisheries Restructuring Agreement of September 26th, 1983, and are prepared to make further financial commitments to ensure the overall viability of Fishery Products International. In this respect, the new Budget provides for Provincial investment totalling \$17,700,000. Fishery Products International provides 8,000 jobs throughout all parts of the Province.

The Budget provides funding totalling \$2,500,000 for capital ocean industry incentives. Of this amount, \$1,000,000 is available to meet obligations under the Marine Industries Incentive Program now expiring. Under the \$28,000,000, five-year Ocean Industry Development Agreement recently signed with the Government of Canada, an initial

sum of \$1,000,000 is allocated for financial support to companies establishing and expanding manufacturing, processing and servicing, and a further sum of \$500,000 is available to support research institutions and firms initiating productivity increases in the ocean industry sector. The Government of Canada will provide further monies to meet its direct funding obligations.

Two other initiatives valuable to small businesses will also be continued. The Newfoundland and Labrador Development Corporation has proven its worth over the years, and this year we will provide the Corporation with \$4,000,000 for its loan fund. Also, a further \$500,000 has been provided to the Department of Development for its Venture Capital Fund, bringing the total available in 1985-86 to \$1,000,000.

Government takes considerable pride in these varied and valuable programs for small business promotion and assistance. The funds to do so are not easily accumulated, a fact which underlines the confidence we place in the ability of Newfoundland business to capitalize on opportunities if given the chance to do so, and which underlines our conviction that major employment opportunities will flow from an expanded small business sector.

EMPLOYMENT CREATION

Mr. Speaker, Government has always fully appreciated the fact that assistance to increase employment opportunities in this Province cannot only be confined to the long-term development of our valuable resources or even to the short-term assistance and promotion of the small business

sector. In time, these alone may bring down our unemployment rate to reasonable levels, comparable to other areas of Canada. However, with our current unemployment problem, it is obvious that additional direct job creating initiatives are a priority. Accordingly, the following steps have been taken to meet this situation:

* In January, 1985, a Royal Commission was appointed to look into employment and unemployment in Newfoundland and Labrador. In addition to investigating employment opportunities and the causes of unemployment, the Commission is considering, in some depth, the adequacy of current education and training programs related to all aspects of the labour force. The Commission has been asked to make recommendations on new measures which may be taken by both the public and private sectors to increase employment and to enable people in all areas of the Province to avail of emerging opportunities.

* Government is providing \$2,000,000 towards the Summer Employment/Experience and Development Program. This Program is cost-shared with the Government of Canada for the purpose of creating jobs for the Province's youth. Government is conscious of the particularly severe unemployment problem among our youth and is pleased to be able to join with the Government of Canada in this very worthwhile initiative. This program will employ 6,000 youth during the Summer period.

* The Department of Social

Services will continue the expansion of its Community Development Program. Last year, in excess of \$20,000,000 was spent in special employment creation for individuals as an alternative to continued Social Assistance dependency. Through this program in 1984, 8,500 people were placed in employment on a temporary basis in community activities, both in the resource development and service areas. An additional \$5,000,000 is being provided in this Budget and it is anticipated that close to 10,000 individuals will obtain short-term employment in the present fiscal year through a total expenditure of approximately \$25,000,000.

* The Government is embarking upon an expanded capital expenditure program this year. Each of these capital projects has a specific purpose but one of the important effects will be the provision of much needed employment. It is noteworthy that this year's capital expenditure program will be instrumental in providing many thousands of jobs throughout all regions of this Province.

1985-86 CAPITAL EXPENDITURE PROGRAM

Mr. Speaker, let me turn, therefore, to Government's decision this year to increase its capital expenditures for the reasons I have mentioned. As discussed earlier, the gross capital expenditure contained in departmental estimates amounts to \$350,500,000. In addition to this amount, capital expenditures totalling in excess of \$160,000,000 will be provided through Newfoundland and Labrador

Hydro, Newfoundland and Labrador Housing Corporation, Newfoundland Municipal Financing Corporation and Marystown Shipyard Limited.

I would like to bring to the attention of Honourable Members certain individual initiatives.

Offshore Development Fund

Government has made a budgetary provision for a gross expenditure from this Fund of \$40,000,000 this year, of which \$10,000,000 is provided by the Province. A committee composed of Federal and Provincial advisors has been struck to define the projects which will be funded out of this provision of the Atlantic Accord, and in due course details of specific projects given final approval will be announced by Ministers whose area of responsibility is involved. Disbursements from the Fund will be sharply focused on increasing our ability to take up employment opportunities related to offshore hydrocarbon activities and to maximize other spinoff benefits to the Province.

Burin Peninsula Development Fund

Honourable Members will recall that the Burin Peninsula Development Fund was established last year, representing a major thrust for development in the area. The purpose of the Fund is to enable the Burin Peninsula region to diversify its economic base and provide new employment activities for its residents. Two major projects are currently underway. The \$11,000,000 oil rig repair facility at Cow Head is under construction and \$6,800,000 has been provided by the Burin Peninsula Development Fund for the St. Lawrence Fluorspar Mine, soon

to be reactivated.

Health Services

To ensure the availability of adequate health care in all areas of the Province, and at the same time respond to changing needs and other circumstances, Government has committed itself to a long-term plan of providing modern hospital facilities on a regional basis.

Recently, Government announced a \$16,000,000 redevelopment program for the Central Newfoundland Hospital at Grand Falls. I am pleased to announce today that the Budget provides \$2,000,000 to enable planning to be completed and construction to begin later in the year.

For the Burin Peninsula, \$7,000,000 has been allocated for the continuation of construction on the \$16,000,000 hospital already begun.

The new regional hospital at Clarenville is nearing completion, for which \$1,800,000 is provided in this year's Budget. The opening date of this modern facility is expected to be in September of this year.

An amount of \$250,000 has been provided in the Budget to commence planning for the redevelopment of the Grace General in conjunction with the overall plan to be presented later this year by the St. John's Hospital Council.

An amount of \$1,000,000 has been set aside for the planning and construction of a new 75-bed chronic care facility at Botwood along with an associated medical clinic. This will allow the phase-out of the existing Botwood

Cottage Hospital, with the relocation of staff in the new facilities.

During the year the Buchans Hospital will be converted to a chronic care institution and funds have been provided for that purpose.

An amount of \$3,600,000 has been allocated to undertake a major upgrading and extension of Harbour Lodge in Carbonear, increasing the chronic care bed capacity from 98 to 134.

With financial support from the Government of Canada through the Canada Mortgage and Housing Corporation, other major projects for the provision of additional facilities for senior citizens will be completed this year. These projects include a 60-bed extension and upgrading at St. Patrick's Mercy Home in St. John's, a 50-bed extension to Lakeside Homes, Gander, a new 75-bed Senior Citizens Home at Placentia and a 50-bed extension for the Bay St. George Home.

Mr. Speaker, with our large scale health care institution renewal program well underway, I am announcing today the intention of Government to issue a White Paper in the near future in order to more fully address health care expenditures and the means of financing them. As Honourable Members are aware, the recommendations of the Royal Commission on Hospital and Nursing Home Costs are now being implemented. Significant opportunities for improved efficiency in hospitals and nursing homes throughout the Province exist in the short-term, and longer-term efficiencies can also be achieved through sound

planning and rationalization of institutional services. The projects I have listed form only a part of what must be a continuing ongoing commitment for the provision of fully adequate acute and chronic care facilities for the people of Newfoundland and Labrador. Clearly, the costs involved in financing these essential programs will be considerable and for this reason the issuance of a White Paper will serve to focus attention on the requirement for health expenditures in the overall budgetary context, and to provide the opportunity for public input in the development of policy concerning the various revenue options which could be considered.

Education

Government recently announced a three-year \$60,000,000 commitment as its 90 per cent share of an expanded School Construction Program. This will enable the Denominational Education Councils to accelerate the availability of improved school facilities where they are most needed in the Province. This multi-year commitment will give the Denominational Education Councils the flexibility to develop a longer term plan for school construction and will facilitate the tendering process.

In 1985-86 the Government grant for the construction of school buildings will be \$20,000,000, an increase of \$5,000,000 over last year. Of this amount, \$1,500,000 will be set aside to upgrade and improve existing school buildings and bring them in line with modern standards.

This Summer will see the commencement of construction on

the new \$11,000,000 School for Deaf Children. The new facility will be located on Topsail Road in St. John's and will be built to provide residential and classroom accommodation for over 100 children. The construction of this modern new educational institution is a further reflection of Government's commitment to the full education of our youth.

I am pleased to announce that in conjunction with the Government of Canada, funding of \$15,400,000 has been provided to continue construction of the \$42,300,000 Newfoundland and Labrador Institute of Fisheries and Marine Technology. Government is very proud of this new facility which is scheduled to open in September, 1985, and which will further strengthen the Province's image and reputation as a world leader in marine-related education and research.

An amount in excess of \$700,000 has also been provided for additional classroom and student residential space at the Bay St. George Community College.

Memorial University of Newfoundland

I am pleased to announce that funding of \$1,625,000 has been provided to Memorial University so that the Health Sciences Centre may be expanded to house the School of Nursing and the School of Pharmacy. This project, which is expected to be completed in 1986-87, will provide consolidated space for the expanding needs of nursing education and will accommodate the new program in Pharmacy.

Transportation

Mr. Speaker, this Administration's commitment to the improvement of the transportation system in the Province has never been more evident than demonstrated in the Departmental estimates for the fiscal year ahead. Our increased spending strategy encompasses all modes of transportation, land, marine and air, within both provincial and municipal jurisdictions. Despite our limited financial capabilities, Government has seen fit to devote more funding to this vital sector than ever before.

Let me first address the 1985-86 Highway Construction Program for which a total of \$76,400,000 has been provided in the Budget. Of this amount \$20,900,000 is being contributed by the Government of Canada towards a \$27,600,000 planned expenditure program through Highway Subsidiary Agreements this year. In addition to completing outstanding projects from previous agreements, this coming Summer will see the start of work under the recently announced, seven-year, \$180,000,000 agreement with the Government of Canada. This confirms a major long-term commitment by both governments for the rehabilitation of the Trans Canada Highway and for the construction of the Trans Labrador Highway, and provides clear evidence of the new willingness in Ottawa to work harmoniously with the provinces.

On the 100 per cent provincially-funded side of the Highway Construction Program, the Budget includes a total of \$48,800,000 for highway capital spending. Of this amount, \$33,400,000 is for construction and paving under the Improvement and Construction Program, the

largest ever undertaken by the Government of Newfoundland and Labrador. Included are funds to upgrade major traffic arteries within the boundaries of some larger municipalities, including Torbay Road and Higgins Line in St. John's, Commonwealth Avenue in Mount Pearl and O'Connell Drive in Corner Brook. Funds are also included for road improvements in Dunville, Bishop's Falls and Gambo.

In recognition of the need to preserve the enormous investment made in existing highway infrastructure over the years, \$13,700,000 has been provided to continue the Road and Bridge Rehabilitation Program started last year, which will ensure that existing paved highways and bridge structures are kept up to standard.

I am pleased to announce that tenders will be called shortly for the construction of a new \$5,900,000 highway depot at Deer Lake for which \$3,500,000 is provided in the Budget for this year. Included also are funds for detailed planning and design of a new \$600,000 highway depot to be constructed at Baie Verte.

On a final note on highways programs, government has recently reaffirmed its commitment to the Outer Ring Road, and \$5,500,000 is allocated in the Budget to continue the acquisition of property necessary for the construction of this critically important artery in the road network serving the St. John's region.

With respect to marine operations, 1985-86 will be another year of growth and expansion. The new Fogo Island ferry, the M.V. **Beaumont Hamel**, built at Marystown Shipyard, will go into

service very shortly. A new \$6,500,000 ferry will be constructed at Marystown Shipyard during the year for the Burgeo/Ramea/Grey River service, under a lease/purchase arrangement. Both these projects demonstrate our twofold commitment to improve ferry services to island communities in the Province, and to maintain and promote a world-class ship construction facility at Marystown.

The present vessel on the Fogo Island run will be utilized to provide backup service for refits and breakdowns. Scheduled improvements in the Gaultois and Burgeo/Ramea/Grey River services are also funded.

The coming year will again see much activity in the airstrip construction program. By the end of the construction season, twelve airstrips will be completed and construction begun on two more on the Coast of Labrador. The Springdale airstrip extension will be finished this year, as well as an upgrading of the Winterland airstrip on the Burin Peninsula. In addition, funds are provided for the construction of an airstrip on Fogo island. All told, \$13,000,000 is allocated in the Budget for airstrip and related construction. This program is provided through the financial support of the Government of Canada and upon completion, maintenance and operating costs will be a provincial responsibility.

I am also pleased to inform the hon. House that \$750,000 has been budgeted as an initial payment on two new water bombers to be built by Canadair Limited in Montreal. These new water bombers will cost an estimated \$17,000,000 and will

be delivered in early 1988. The project is being undertaken as part of the National Air Tanker Fleet Program, under which the Province will receive two aircraft from the Government of Canada, additional to those purchased directly by the Province.

Our total transportation construction program will create some 3,500 to 4,000 seasonal jobs for Newfoundlanders this Summer, as well as resulting in significant improvements in transportation services for many residents of our Province.

Municipal Infrastructure

Government is continuously alert to the needs of municipalities, especially for capital infrastructure to upgrade water and sewer services and to construct and pave roads. I am pleased to announce, therefore, that in addition to unused 1984 loan approvals for ongoing projects, Government has agreed to approve a further \$25,000,000 through guaranteed bank loans for additional high priority municipal capital projects. Of this amount, \$11,000,000 has recently been announced to facilitate early tendering. Expenditures totalling \$40,000,000 are anticipated in 1985-86 as a result of these loan approvals.

In addition, Government has provided, with the Government of Canada's support, direct funding of \$15,900,000 for various residential/industrial water and sewer projects, primarily in the St. John's, Channel/Port aux Basques, Marystown and Labrador Coast regions of the Province. These initiatives, which are highly labour intensive, will provide the equivalent of 1,000

full-time jobs, as well as a much needed boost to the construction industry.

Royal Newfoundland Constabulary

Government has already announced the construction of a new building to house the Royal Newfoundland Constabulary in Corner Brook.

An amount of \$400,000 has been provided in the 1985-86 Budget for planning and site acquisition for the new building which will cost approximately \$2,500,000. Construction will begin in the Spring of 1986 and the building is expected to be completed by the Fall of 1987.

Newfoundland and Labrador Housing Corporation

This Crown Corporation has also received approval for a major capital program in 1985-86 totalling \$62,000,000. I would like to outline a few of the projects to be undertaken this year.

An amount of \$13,200,000 has been allocated for residential land development including \$10,000,000 in federal/provincial funding for the start of a major land assembly in Mount Pearl. I am also pleased to announce that included in an amount of \$1,200,000 to be provided for industrial land assemblies, some \$850,000 has been set aside for planning, engineering design and land acquisition to develop the Octagon Pond Industrial Park, designed to accommodate facilities related to offshore oil development.

Expenditures approximating \$5,000,000 in Federal Housing Rehabilitation Funds will be delivered by the Corporation

during the coming year. Five new rural areas of the Province have been designated as eligible to receive this funding, and it is planned to cover all remaining rural areas of the Province in 1986.

Federal/provincial funding amounting to \$4,000,000 is being provided to continue improvements to existing public housing stock in major urban centres. Finally, an allocation of \$5,200,000 has been authorized for continued rehabilitation and modernization of provincially-owned housing stock in St. John's, Stephenville, Goose Bay and Marystown.

In all, the equivalent of 1,500 full-time jobs will be created through Housing Corporation expenditures during the fiscal year, which when combined with stabilizing interest rates and private housing market activities, points to an excellent year for residential construction activity in the Province.

Newfoundland and Labrador Hydro Corporation

Newfoundland and Labrador Hydro will expend \$47,000,000 on capital projects in 1985, some \$32,000,000 of which will be used to complete the large \$316,000,000 hydro-generating facility at Cat Arm.

In addition to Cat Arm, \$9,600,000 will be spent on other hydro capital projects while \$5,400,000 will go towards Power Distribution Districts capital projects to serve electricity users in isolated rural communities around the Province.

Mr. Speaker, I believe Honourable Members will agree that I have

just recounted an impressive listing of capital works which will be carried on over the next twelve months or so, providing much needed modern infrastructure for the use of citizens of this Province and enabling many thousands of workers to be gainfully employed during construction.

CONCLUSION

Over the past several years, Government has made particularly strenuous efforts to limit deficits on its Current Account, that is its day-to-day operating budget. The exercise has met with a very large measure of success. The deficit on our Current Account projected for the present fiscal year is approximately 3.5 per cent of our gross Current Account expenditures. Slippages from budgetary projections over the past recessionary years have resulted very largely from occurrences beyond the control of the Provincial Government.

One particular problem has been Personal Income Tax revenues. Over the past two years, there have been downward adjustments in the receipts of Personal Income Tax, as compared with original projections. The cause has not been clearly identified, although it may relate to the impact of the recession. In any event, it is expected that further forecasts will closely approximate the actual amounts.

However, I would strongly emphasize that the people of this Province should continue to hold a high order of confidence in our annual Budget. That confidence is properly founded in Government's demonstrable capability for sound financial management of its

affairs. Preservation of public confidence in the Budget process, therefore, is inextricably linked to Government's striving towards improved financial management methods at all times.

To date we have taken significant steps in that direction. To name just a few improvements, in recent years we have greatly accelerated our handling of invoices and payments for supplies and services to Government; senior financial management staff have been added to Government departments; we have carried out widespread computerization of information systems bearing on financial management; we have used external consultants to review the operating efficiency of one of our crown agencies; we have improved the claiming of sales tax refunds due to the Government of Canada; we have reviewed and revised our borrowing policies and programs; we have expanded our fiscal policy analysis and planning capability; we have received and updated our contractual banking arrangements; we have brought in more effective administrative, regulatory and statutory methods of taxation control; and we have set up new monitoring programs concerning departmental expenditure allocations, whilst at the same time increasing the flexibility for decision-making by permanent heads of departments. As a result, Government's myriad operations are significantly more efficiently managed, from a financial standpoint, than was the case even five to six years ago.

Government does not intend to rest on its laurels. In particular, during the coming and near future years, we will undertake new initiatives to ensure that Government departmental and agency

operations are carried out as efficiently and effectively as possible. The taxpaying public of the Province deserves no less.

Some voices have been raised that in a period of economic recession, Government should not be restraining its expenditures, but should be contributing more, not less, to the local economy. Let me be clear, therefore, on Government policies in this matter. This Government sees no benefit to anyone in the application of anything less than the most efficient methods available for the disbursement of public money. We do not subscribe to the "second picket fence around the graveyard" school of thought as the best way to stimulate the economy. We firmly believe the public interest is best served by responsible and business-like management of monies entrusted to our care.

However, we do subscribe to well-defined incentives to businesses and to carefully targeted promotional public sector expenditures where needed, to magnify initiatives arising in the private sector. Government has actively engaged in much of this rational type of economic stimulation, which can be grouped into four categories:

- * Tax rate reductions - In an effort to promote the growth of small business and employment in the Province, Government has reduced the rate of Corporate Income Tax applied to small business from 12 per cent to 10 per cent, and the rate of Retail Sales Tax on building materials to 8 per cent.
- * Tax exemptions - Further stimulative taxation measures

which have been taken by Government include the exemption from Retail Sales Tax of all items used in the manufacturing process by sawmills, and the purchase of manufacturing equipment by both small and large businesses.

- * Loan guarantees - Loan guarantees to various industries have been instrumental in sustaining their operations through difficult periods.
- * Expenditure incentives - Through providing direct financial assistance, we have been able to assist many projects and companies. Our accomplishments in this area include marine and ocean industry incentives, a new venture capital program, a new local preference policy, and direct financial assistance in major projects such as the upgrading of the Corner Brook paper mill, a new convention centre, and other projects.

These initiatives have provided a strong bulwark to our economy when private sector investment faltered severely during the recent recession, which was the worst since the 1930's.

Mr. Speaker, we now face the equally-testing, but vastly more gratifying, task of planning and implementing fiscal regimes and other management efforts to channel hard-fought-for benefits from the offshore, the fisheries, the forests and lands, and the Labrador power potential to the very deserving people of this Province.

In doing so, we will be mindful of many things, not least of which is

the necessity for increasing employment opportunities throughout our Province.

It is worth remembering here that the great majority of jobs in the future, as in the past, will not arise directly from Government undertakings. Most jobs must come from the multi-focal enterprises of private individuals and personal initiatives. It is to be hoped that our training institutions, for young and adult alike, are instilling that fundamentally important attitude into their students, along with the courses and disciplines they teach.

Government's task is to strive diligently, as we have been doing, to set the scene and pave the way for economic development and job creation based on available natural and human resources, whilst remaining sensitive to the need for direct interventions in the economy when appropriate opportunities arise. We subscribe completely to that economic philosophy, we believe it is the right one for this Province, and in this Budget we are presenting concrete evidence that it is working.

MR. SPEAKER (McNicholas):
Order, please!

The hon. the Minister of Finance.

DR. COLLINS:
Mr. Speaker, I move that the debate be adjourned until tomorrow.

On motion, debate adjourned until tomorrow.

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

DR. COLLINS:

Mr. Speaker, I wish to inform the House that I have received a message from His Honour the Administrator.

MR. SPEAKER:

All rise, please.!

This message is addressed to the hon. the Minister of Finance (Dr. Collins) dated 16 May 1985.

"I, the Administrator of the Province of Newfoundland, transmit estimates required for the public service of the Province for the year ending the 31st day of March 1986, in the aggregate of \$2,020,410,300 and in accordance with the provisions of the Constitution Act 1867, I recommend these estimates to the House of Assembly.

(Sgd) A. S. Mifflin
Administrator."

It will take a few minutes for the pages to distribute the documents to hon. members.

DR. COLLINS:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Finance.

DR. COLLINS:

Mr. Speaker, I move that the message from His Honour, together with the estimates, be referred to a Committee of Supply.

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

Committee of Supply

MR. CHAIRMAN (Greening):

Order, please!

MR. OTTENHEIMER:

Mr. Chairman.

MR. CHAIRMAN:

The hon. the Minister of Intergovernmental Affairs.

MR. OTTENHEIMER:

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

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

MR. SPEAKER (McNicholas):

Order, please!

The hon. the member for Terra Nova.

MR. CHAIRMAN:

Mr. Speaker, the Committee of Supply has considered the matters to it referred, have made some progress and ask leave to sit again.

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

DR. COLLINS:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Finance.

DR. COLLINS:

Mr. Speaker, I would like to table copies of special warrants.

MR. OTTENHEIMER:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Intergovernmental Affairs.

MR. OTTENHEIMER:

Mr. Speaker, I move that the House adjourn until tomorrow, Tuesday, at 3:00 p.m.

On motion, the House at its rising
adjourned until tomorrow, Tuesday,
May 21, 1985 at 3:00 p.m.