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Speaker: Honourable Patrick McNicholas

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The House met at 3:00 P.M.

MR. SPEAKER (McNicholas):
Order, please!

MR. MORGAN:
Mr. Speaker.

MR. SPEAKER:
The hon. the member for Bonavista South.

MR. MORGAN:
It is not personal privilege this time, Mr. Speaker, which I dealt with separately approximately a week ago. Today I rise to hopefully establish a privilege of this House of Assembly and a possible breach of it. And, Mr. Speaker, if you would have a little patience with in me putting forward my case to establish a prima facie case, I want, first of all, to quote from a document which I will table, which is now being presented to the Committee on Privileges and Elections, a Standing Committee of this House of Assembly. I will read this letter for the record and then table it and make it public. This was passed to the Committee approximately one hour ago.

Mr. Speaker, I quote my letter to the Chairman. Mr. Chairman, I want to bring to the attention of your Committee a most serious matter which just came to my attention as a result of just receiving the transcripts from your last public hearing proceedings. 'I refer to the transcripts' - and the copies are attached to the statement - 'regarding the evidence supplied to your Committee by Mrs. Gertrude Pike pertaining to a file that existed in my personal files known as the Premier's Office' file. This file included all correspondence between Premier

Peckford and myself, whether it be confidential, ^{strictly} confidential, private, private to all ministers, or personal.' All of that was included, Mr. Speaker, in that file.

'The evidence supplied by Mrs. Pike confirmed the existence of that file and that certain parts of it were destroyed and other parts copied and, because, of the fact I was unable to properly cross-examine Mrs. Pike myself because of the rulings of the Committee' - which I earlier accepted - 'it was not clear what parts of the correspondence file between the Premier and myself' were destroyed and what parts were kept or copied.

Now, Mr. Speaker, the serious matter I refer to is the evidence given on May 28, Tuesday evening of this week, whereby a witness indicated that she had found a letter in that file the day before, the day before, Mr. Speaker, in this case on Monday, May 27, of this week, right in the midst of the ongoing investigation.

'I say, that this matter is a very serious one because, first of all, up until Tuesday's hearing (May 28, 1985) there was never a mention throughout all the proceedings or even a question referring to my private personal files involving correspondence between the Premier and myself while I was Minister of Fisheries. Yet, Mrs. Pike in her evidence to your Committee', - which is a Committee of the House of Assembly - 'on Tuesday evening confirmed...(as per the attached transcript) that on Monday she was sorting through these files' - as I say right in the midst of investigations both by a committee of this House of Assembly and by

the RCMP. She indeed confirmed that she was searching through and sorting through or perusing through information, now in the Department of Fisheries, from a file strictly personal between the Premier and myself. I quote from transcripts from the last proceedings: 'Mrs. Pike: Yes. As a matter of fact, I dug a letter out of the file yesterday that I could have brought down and showed you, but I just dug one out. It was a letter from the Premier and a reply by Mr. Morgan to the Premier.'

That, Mr. Speaker, confirms the existence of some parts of the file enclosing all correspondence over the years between the Premier and myself.

'This means,' Mr. Speaker, 'that this is, indeed, a very, very serious matter, because a present employee of the Department of Fisheries...has indicated' clearly, in giving evidence under oath, that 'she was sorting through personal correspondence,' personal correspondence involving the Premier and myself in that file, and she was doing this 'in the midst of two ongoing investigations.'

So, Mr. Speaker, I pose a most serious question in putting forward my case of breach of privileges of the House of Assembly. Why is it that an individual employee of government, who earlier gave evidence she was involved in the destruction of at least some of my files and accepted responsibility for it, would in the midst of the investigations, be sorting through an existing file, or part of an existing file, dealing with the correspondence between the Premier and myself?

Mr. Speaker, in my letter to the Chairman of the Committee I urgently requested that, because the files referred to are under investigation and I have no access to these files - in fact, I am unable to access these files. It has now been determined, Mr. Speaker, that I cannot go down to the Department of Fisheries or any other department of government and access files; even though they are my files or copies of my files, I cannot access them - I am asking the Committee, Mr. Speaker, of the House to 'immediately issue an order that no person, (and especially any person connected with this whole matter) - especially any person who has come forward and given evidence to the Committee - 'be permitted access to any of these files until both investigations have been completed.'

'Because of the nature of this one particular file which had contained' - I repeat had contained - 'all correspondence between the Premier and myself, again I want to emphasize that I view this matter a most serious one and I respectfully urge' this House of Assembly and the Committee of the House 'to take immediate appropriate action on this serious matter.'

Now, I quoted from that document, Mr. Speaker, and table it, thereby making it public.

Now, Mr. Speaker, members of this House of Assembly have the right to communicate to each other and the right to retain the documentation of these communications. If I want to communicate with a member of the Opposition and he with me we can do it, and we can retain our documents accordingly. And we can

go back and refer to them, when we want to refer to them, to bring information to this House of Assembly with regard to any correspondence between two hon. members of this House. But in this case, Mr. Speaker, this is not the case any more. The correspondence between the Premier and myself is now all one way. I have access to not one piece of correspondence I have had with the Premier since 1980 when I became Minister of Fisheries, not one piece of correspondence. The Premier, I would assume would have access to the correspondence from his own files. So, Mr. Speaker, irrespective of last week or the week before when I made the prima facie case of a breach of personal privilege, when I talked about my files being destroyed, which is now under investigation, now the point is, Mr. Speaker, if copies exist of any part of that certain file, why is it a member of the House of Assembly, any member of the House of Assembly, cannot access it? It has now been confirmed that no member of the House of Assembly can go down and access that certain file and see what was said between the Premier and his Minister of Fisheries, what was in his personal file, strictly confidential, private and personal. As elected members of the House we cannot access that file between a minister and the Premier but other individuals, employees of government, can. Mr. Speaker, I say to you in a very sincere way, Sir, I am convinced it is indeed a breach of privilege of every member of this House and therefore a breach of privilege of this House of Assembly that communications between two hon. members, whether it be ministers or private members or otherwise, cannot be brought forward by the individual members because of

circumstances beyond the control of an individual member. And in this case it is a member who served as a minister for the period of time, as I said from 1980-84, as the Minister of Fisheries.

So, Mr. Speaker, it is not the point now of questioning what is happening to the destroyed files, that is now being addressed by the Committee. The question now is who should and who should not have access to any files that are left, or copies of files. I repeat, 'copies' is the word, copies, not originals - who should or should not have access to any correspondence and files between two members of this House? Should it be employees of government - I beg, Sir, no! - or should it be members of this House who should have the right to access communications between members of the House? Unless, of course, one of the two members concerned says, no, it is private, nobody is to see it. Sir, I say again, I hope that you will consider my argument and the statement I am tabling as indeed a prima facie case of a breach of privileges of this House of Assembly, and I would urge that this House deal with the matter immediately. Because, Mr. Speaker, if not I want delivered to me immediately, as one member of the House, every individual piece of correspondence that existed for the last four years between the Premier and myself, delivered to me as a member of the House. I am of the opinion that is not now possible, because of the ongoing investigation and because of the evidence put forward about destruction of certain documents, etc., because I feel in my own mind that is not now possible, and because I cannot refer to these documents in any shape or form if

I wanted to give this House information on any document in that file, and because no other member of the House can access that file, Mr. Speaker, I submit to you, Sir, that it is indeed a breach of the privileges of this House.

Thank you.

MR. SPEAKER (McNicholas):

To that point raised by the hon. the member for Bonavista South, I have ruled previously that the Committee are their own masters in this matter and I would suggest to the hon. member that he refer that matter to the members of the Committee. There is no prima facie case of breach of privilege.

MR. MORGAN:

Mr. Speaker, on a point of order.

MR. SPEAKER:

On a point of order, the hon. the member for Bonavista South.

MR. MORGAN:

Sir, I wish to obtain as quickly as possible certain correspondence from that file between the Premier and myself and, therefore, I am, as a member of this House, demanding that that information, which is my personal property, be supplied to me as quickly as possible.

MR. SPEAKER:

To that point of order, I must rule that there is no point of order. The Chair has no authority to issue a demand such as the hon. member requests.

MR. MORGAN:

Again, on a point of order, Mr. Speaker.

MR. SPEAKER:

On a point of order, the hon. the

member for Bonavista South.

MR. MORGAN:

Mr. Speaker, I am not going to give up on this one.

Mr. Speaker, are we now establishing in this House that members have lost or are losing their rights? Because all I am asking for are my rights. I want existing copies of documents which are in my files delivered to me. I would assume, Mr. Speaker, the Chair would have the authority to order the Committee to have these documents delivered to me as my documents, and prevent anybody else from perusing my private documents.

MR. TULK:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Fogo.

MR. TULK:

Mr. Speaker, perhaps I can make a suggestion that might satisfy the concerns of the member for Bonavista South (Mr. Morgan). It is that perhaps the Premier himself, or the Government House Leader (Mr. Marshall) or whoever on the other side, might indeed indicate to the former Minister of Fisheries, the member for Bonavista South, and to the House, that whatever files presently exist, or whatever copies of files presently exist, can, indeed, be at least made secure or, indeed, be made available to the former Minister of Fisheries, the member for Bonavista South. It seems like a reasonable enough request.

MR. MARSHALL:

Mr. Speaker.

MR. SPEAKER:

The hon. the President of the

Council.

MR. MARSHALL:

Mr. Speaker, if that is a the question, I want to say that these matters themselves and ancillary matters were referred to a Committee for consideration and, for one reason or another, they seem to come back into the House, as a whole, for examination.

I can say in response to the hon. gentleman, to the House and to the member for Bonavista South, this is the first time I have become aware of the nature of this ancilliary complaint. All I can say is that we will certainly take a look at the situation and assess it. But I am not in any position to make any definitive comment upon that particular suggestion made by the member for Fogo (Mr. Tulk) until I have had an opportunity to consider it and consider all the implications of it.

MR. TULK:

Mr. Speaker.

MR. SPEAKER (McNicholas):

The hon. the member for Fogo.

MR. TULK:

Further to the comments made by the Government House Leader (Mr. Marshall), let me assure the hon. the member for Bonavista South (Mr. Morgan) that we will undertake, on this side, to try and establish to the rest of the Committee that whatever copies are available belonging to him he gets back. We will undertake to try to convince the rest of the Committee that it should be done.

MR. MARSHALL:

Mr. Speaker.

MR. SPEAKER:

The hon. the President of the Council.

MR. MARSHALL:

I thought I was being asked by the hon. gentleman to comment on the substance. There is no doubt about it that if there are any files that belong to an individual and that individual has a right to that files, that individual has the right to the files. He or she will have access to them, and we will see to that. But as to the substance of this, I am not in a position, as I say, to comment on the substance of it but just respond in generalities with respect to it.

MR. SPEAKER:

I hope these comments will satisfy the hon. the member for Bonavista South to some extent anyway. There is no point of order.

Before calling the next item, I would like to welcome to the gallery Steve Michelin, a town councillor from Labrador City and Chairman of the Combined Councils of Labrador.

SOME HON. MEMBERS:

Hear, Hear!

MR. SPEAKER (McNicholas):

I would also like to welcome fifteen students and their instructor, Paulette Trainor, from the Kelsey Institute of Applied Arts and Science, Saskatoon, Saskatchewan.

SOME HON. MEMBERS:

Hear, hear!

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MR. BARRY:

A point of order, Mr. Speaker.

MR. SPEAKER:

A point of order, the hon. the Leader of the Opposition.

MR. BARRY:

Mr. Speaker, there is a problem developing already with respect to the Estimates Committees in that we had two committees called yesterday for the same time. There was one member of the press present at the meeting that was held here in the Legislative Chamber, there was nobody from the press present at the meeting that was held outside the Chamber. We have expressed this concern to government previously, Mr. Speaker, that if there is more than one committee called it appears, whether because of budgeting or staffing or other reasons, the press is not in a position to cover the committee meetings. We wish to register a protest about being forced to go to a Chamber where there is no opportunity for the general public to obtain information on the estimates and debate the estimates of the government department. So we ask the Government House Leader (Mr. Marshall) and the Premier to indicate that, in as far as is reasonably possible, and we think there is no undue problems with respect to scheduling or whatever, that committees meet one at a time. We have a situation where it is possible for a committee to meet in the morning, the House sit in the afternoon, a committee meet in the evening, and we think that the estimates and the business of government would not be unduly interrupted by that schedule, which is the schedule which has normally been the case, Mr. Speaker, in previous years.

I would also ask the Government House Leader (Mr. Marshall) to arrange for proper notification of

all members of meetings of these Committees, an indication before the fact of which departments are going to come up next. At the present time, we - often do not know, as I think happened yesterday, until the final few minutes before the closing of the House which government departments coming up that evening.

Now if government wishes to have a full and open examination of the estimates of this government, then there should be proper notification given to the Opposition of the order of the departments. This should be done on a daily basis so that we can have a schedule posted in the precincts of the House here as to which committees and meetings will be coming up the subsequent day, and that there be only one committee scheduled at one time. Because, otherwise, it is the public interest, Mr. Speaker, that is suffering and the public that will lose if there has to be a discussion of the estimates and there is no press present.

MR. MARSHALL:

Mr. Speaker.

MR. SPEAKER (McNicholas):

The hon. the President of the Council.

MR. MARSHALL:

Of course, Sir, that is really no point of order, but I suppose it is a point of observation by the Leader of the Opposition (Mr. Barry). I will try to address myself to it. The first thing is that where possible, Mr. Speaker, we have arranged the committee hearings one at a time, if at all possible. But that is not always possible, because sometimes members, including Government and Opposition members, on Friday, for

instance, wish to go out of town, so Friday afternoon is out, etc., and Friday night.

Now, under the rules three could meet at a time, but we do not happen to feel that it is really too onerous on members for two committees to meet at a time, even though we are sensitive to the observations-

MR. BARRY:

But do you not -.

MR. MARSHALL:

Would the hon. gentleman do me the courtesy I will do to him? Mr. Speaker, where possible we see what we can do. We do not really feel it is too onerous. Three committees could meet under the rules, but three committees do not meet at a time. The most that ever meet at a time is two committees. And surely that is not too onerous for anyone, either the Government, the Opposition side or even the press for coverage. But where possible, and I underline where possible, it will be one at a time. But for the workings of the Committee and effectiveness of the operation, we cannot give an absolute guarantee that two will not meet at a time. That is the first thing.

Now the second thing is the announcements. Every day in this House we announce what committees will be meeting, what departments will be considered that evening and the next morning. Now there was one day, the first day the announcement should have been made, I happened to be out of the House at the time when the House was adjouring and that was not done, and I apologized to the House for it. But I suppose we can all be forgiven errors, even the Leader of the Opposition (Mr.

Barry). But at the end of the day we give that information, the Clerk gives the information to the press gallery. As far as being given advanced notice of what is going to be considered, look, there are only five or six departments for each committee to consider so they know what will be coming up.

MR. BARRY:

We do not know which is coming up when.

MR. MARSHALL:

Well, you know within a certain period of time.

MR. TULK:

Yes, two hours notice.

MR. MARSHALL:

Two hours! You usually get at least twenty-four hours notice with respect to it.

So I do not really think that the complaint is justified. I want to emphasize again that we try to have one committee meet at a time, but we can give no guarantees that two will not meet at a time. We give as much notice as we possibly can and we will continue to do that, Mr. Speaker.

MR. BARRY:

Mr. Speaker.

MR. SPEAKER (McNicholas):

The hon. the Leader of the Opposition.

MR. BARRY:

Mr. Speaker, I just would like to add one further point. It is not a matter right now, with the numbers we have, of it being too onerous on the Opposition. I did not make that point. The point is that the press are not apparently in a position to cover more than

one committee, and in fact there is difficulty in having them cover one committee in that we had CBC present yesterday evening and that was it. Now The Evening Telegram I must say has not been impressive in its degree of local coverage in recent years but the least it could do is start seeing that, if there is one committee, at least that it covers it on a regular basis.

As far as the other private radio stations and television stations are concerned, I do not know what their budgeting situation is but it does not seem too much to ask that at least they cover one committee of the House. So, Mr. Speaker, it is not from the point of view of hardship on members of the Opposition; it has to do with hardship on members of the public if they are not given the opportunity to get the information that can be brought out in the course of the estimates.

MR. FLIGHT:

Bring the estimates back in the House! Do away with the committees!

Statements by Ministers

MR. R. AYLWARD:

Mr. Speaker.

MR. SPEAKER (McNicholas):

The hon. Minister of Rural, Agricultural and Northern Development.

MR. R. AYLWARD:

Mr. Speaker, I am very pleased to announce the appointment of Dr. Hugh G. Whitney as Provincial Veterinarian for the Agricultural Branch of my department.

SOME HON. MEMBERS:

Hear, hear!

MR. R. AYLWARD:

Dr. Whitney brings to this position a strong background in micro-biology having completed, in addition to his Doctor of Veterinary Medicine, a Master of Science Degree in Veterinary Micro-Biology from the University of Saskatchewan.

Dr. Whitney has been most recently employed as instructor /co-ordinator of the Biological Science Program in Kelsey Institute of Applied Arts and Science in Saskatchewan.

Dr. Whitney replaces Dr. Alton Smith who retired as Provincial Veterinarian on December 31, 1984. Dr. Smith was employed as Provincial Veterinarian for the past nineteen years.

I would like to express my thanks to Dr. Smith on behalf of the government and, in particular, on behalf of my department for his very valuable contribution to agriculture over the past nineteen years.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

The hon. member for Naskaupi.

MR. KELLAND:

Thank you, Mr. Speaker. I would certainly like to tell the minister that I welcome that sort of an appointment. The only question that comes to mind immediately is is the gentleman who was appointed the only qualified candidate who applied for the job? That would indicate that the appointment was made in the general practice that the

government has followed for the last few weeks since the election.

Oral Questions

MR. SPEAKER:

The hon. the Leader of the Opposition.

MR. BARRY:

Mr. Speaker, I would like to direct a question to the Minister of Fisheries (Mr. Rideout). In the questions that were put to him concerning the employees of CFLCo rejecting the offer made by the company, the minister indicated that he called the gentleman who he had been speaking with in Deer Lake Airport and, to quote the minister, "When I heard that he allegedly went back to the union meeting that night when the vote was being taken and advised his colleagues in the union that he had been told by a minister that they were stupid and crazy to accept whatever settlement they were voting on," would the minister inform the House where he heard that the gentleman had carried this back to the meeting?

MR. SPEAKER (McNicholas):

The hon. the Minister of Fisheries.

MR. RIDEOUT:

Mr. Speaker, I was informed - I have to be careful here - whether it was the next day or a day or so after that, there had been certain rumours or stories told before the vote was taken in Churchill Falls which implicated the discussions that the Leader of the Opposition (Mr. Barry) brought before the House a few days ago that I had with a gentleman whom I knew from that community. So when I got an opportunity - I do not know how soon it was, but sometime within a

few days - I tried to get the gentleman on a couple of occasions and could not reach him for whatever reason, but over the next few days I tried to get in touch with him just to find out from him what his side of the story was and I indicated to the Leader of the Opposition that I did that. And, yes, in fact, I did, Mr. Speaker.

MR. BARRY:

Mr. Speaker.

MR. SPEAKER:

The hon. the Leader of the Opposition.

MR. BARRY:

The minister has not answered the question. The question I asked was: From whom did he hear that his friend had carried this message back to the union membership?

MR. SPEAKER:

The hon. the Minister of Fisheries.

MR. RIDEOUT:

Mr. Speaker, I do not have any problem with telling that. Like I said the other day, I do not have anything to cover up or hide in this matter. I am not sure if it was the Minister of Labour (Mr. Blanchard) or the Minister responsible for Newfoundland Hydro or CFLCo (Mr. Marshall). One of those gentlemen mentioned to me that this had been reported back to them, I guess, through whoever was in charge of the negotiations. They raised it with me and I proceeded, within a few days, I do not know how soon, to contact the gentleman concerned.

MR. BARRY:

Mr. Speaker.

MR. SPEAKER:

The hon. the Leader of the

Opposition.

MR. BARRY:

Would the minister confirm that the Minister of Labour or the Minister of Energy (Mr. Marshall) asked the member to call his friend to clarify that the policy of government was not different for CFLCo than it was for government employees generally? Was this the request that was made to the minister that he make a phone call for that purpose? And did the minister, in fact, in the course of that telephone call to his friend raise only the fact that he had thought that the conversation with his friend was a private conversation and remonstrate with that gentleman that, 'Now see what you have done? You have caused certain portions of my anatomy to be caught in a vice.' Was this a course of the conversation?

MR. SPEAKER:

The hon. the Minister of Fisheries.

MR. RIDEOUT:

Mr. Speaker, I do not know if I remember all the questions but I think on all counts the answer is no, no, no.

MR. FENWICK:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Menihek.

MR. FENWICK:

Mr. Speaker, my question is for the Premier. Under the Law of the Sea Treaty that Canada is a signatory to any resources that are found in the seabed outside the 200 mile limit are taxed at a 7 per cent rate and put into an international fund. Since looking at the Atlantic Accord it is difficult to see whether this has

been taken into account or not. My question to the Premier is: Since we do know that a lot of the oil is probably going to be found beyond the 200 mile limit, when this 7 per cent royalty has to be paid into this international fund, does it come from our part of the royalties or from the federal government's part?

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

Mr. Speaker, that is a question that is going to have very, very serious consequences for the people of Labrador West and Two Good Arm and Francois tomorrow and, therefore, it is a question of urgent and public importance, I am sure.

Obviously, we are the partner who has the right to levy royalties and taxes offshore. We are part of Canada and Canada is a signatory to the Law of the Sea and therefore we would abide by the various conventions and treaties and agreements that have been signed by Canada. We have not, at this point in time, worked out whether that 7 per cent would be part of what the federal government would receive from their taxes or a part of what we would receive from our taxes because, at the present moment, I do not think there have been any discoveries outside of 200 miles offshore Newfoundland. Hibernia is around 179 or 180 and most of the other ones are in that area or closer. So there is not any danger in the next week or two, month or two or year or two, where we would see production occur which would trigger that 7 per cent.

Obviously, over the next year or

so, in negotiations with the federal government for the implementation of the Atlantic Accord, that Law of the Sea requirement of 7 per cent would have to be addressed in how it was to be paid into the fund, if, in such case, down the road, there was a requirement for us to pay because we did have production outside 200 miles.

MR. FENWICK:

A supplementary, Mr. Speaker.

MR. SPEAKER (McNicholas):

The hon. the member for Menihek.

MR. FENWICK:

Since it obviously has the possibility of being a problem, and since we have not seen the legislation, by the way, that enshrines the Atlantic Accord at this point, and since it is coming in, I felt it was a timely question, one quite appropriate to raise at this time.

My supplementary is: Judging by the fact that it is not mentioned in the Atlantic Accord, and judging by the answer the Premier has given to this point, which is he does not know whether it is the federal government or the provincial government that is going to carry the can on this particular thing, can we then assume that in the negotiations a major mistake was made by the parties negotiating it and the particular implication of these oil discoveries were not taken into account, and basically our provincial government goofed?

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

No, Mr. Speaker. As a matter of fact, that matter came up many

times during the negotiations and it was the understanding between both governments that we would work that point out later, down the road. Our major concern is with the development of Hibernia and the Joan of Arc Basin and, hopefully, discovering some oil and gas within the 200 mile limit in the Gander block off the Northeast Coast of Newfoundland, to see whether, over the next few years, we can find some additional oil off Labrador in addition to the gas that we have found and that we would work out that 7 per cent requirement later. But it did come up in negotiations on a number of occasions. And whilst members of the Opposition and the member for Menihek (Mr. Fenwick) and the Leader of the Opposition (Mr. Barry) might try to find all kinds of loopholes in the Atlantic Accord, Mr. Speaker, the people of Newfoundland and the people of Canada recognize that this Atlantic Accord is perhaps one of the most important, comprehensive documents ever signed by a Government of Newfoundland insofar as it protects the interests of the people of Newfoundland and Labrador.

MR. FENWICK:

A final supplementary, Mr. Speaker.

MR. SPEAKER:

A final supplementary, the hon. the member for Mehihek.

MR. FENWICK:

Thank you, Mr. Speaker.

I do not deny a lot of those nice things that have been said about the Atlantic Accord and I think the Premier would agree that, consistently, both myself and my party have said that we did agree with the general aims and principles of it. What we are

talking about here, though, is the amount of revenue that will accrue as a result of it and whether or not the finds that come from beyond the 200 mile limit will or will not be of any benefit.

As I understand the taxing regime set in place by the Province under our own regulations in the last five or six years, we are talking about a 10 per cent flat royalty to start with, and then, once double the cost of the oil field has been recovered, the escalating clause would go into effect. With the declining cost of a barrel of oil in these times, I would strongly suggest the 10 per cent may be all we will get out of a lot of these oil fields for a long period of time. And I do not know if my mathematics is that tremendous, but when I take 10 per cent and subtract 7 per cent from it, there is not a heck of a lot left. My question is: Are we really saying then, that those oil fields that are beyond the 200 mile limit will be of very, very marginal benefit to the Province?

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

We do not know that, Mr. Speaker, at this point in time. One of the things was that we still have open how we wish to negotiate the oil fields and gas fields, or whatever, and other mineral resources outside of 200 miles. We have not bound ourselves into any particular regime which might change over time, so we can have the benefit of the additional information and technology that will become available and, at that point, be in a much better position to be able to determine how much we should get out of it and how much the federal

government should get out of it. So if anything, by leaving it for later, we have protected the interest of Newfoundland and Labrador because over time, as we all know, things change and, therefore, it would be much better to negotiate that out later in light of the new information that obviously is going to become available as to the potentiality of oil and gas fields and, accruing out of that, the amount of revenues that might be available to Newfoundland or Canada. So I think leaving the 7 per cent outside the 200 mile limit, which is to go into the fund under the international treaty, is a very wise move on the part of the Government of Newfoundland and Labrador, and do it at a time when more information is known. How much we will get out of that over time is yet to be determined. We do not know whether there is any real good potential outside the 200 mile limit. There has been some geophysical and geochemical work done out there, but it is still not clear whether in fact there is a real potential for substantial quantities of hydrocarbons outside the 200 mile limit. I think it is fair to say in summary again, and just to reiterate, it is wiser for the Province to hold that in abeyance until more information becomes available and then make decisions based upon that and have an additional accord outside the 200 mile limit than at this point in time try to determine it.

MR. KELLAND:

Mr. Speaker.

MR. SPEAKER (McNicholas):

The hon. the member for Naskaupi.

MR. KELLAND:

Thank you, Mr. Speaker.

By way of preamble, let me say that yesterday I raised three questions in the House relating to what is now generally regarded by the public of this Province as patronage appointments by the present administration. The Premier, in delivering a procedural lecture to me on House rules, indicated that it was not, in his opinion, of sufficient public importance to answer at that time. I noticed through the media in the last evening and today that the Minister of Rural, Agricultural and Northern Development (Mr. Aylward) has pleaded the matter in a much more forthright manner, perhaps a more honest manner, in that he was willing to respond to questions from the media. However, following his statements in which he pretty clearly said that the person in question, the defeated Tory candidate in St. Barbe district (Mr. E. Osmond) was not yet employed by his department but the minister intended to employ him if that person was available, and he did not know whether that person was available or not, he also said that no other applicants or candidates were considered for that job. So he has confirmed in effect the public view of patronage by this present administration. However, subsequent to those statements, and in an incident that happened yesterday, I have information which says -

MR. MARSHALL:

A point of order, Mr. Speaker.

MR. SPEAKER:

Order, please!

A point of order, the hon. the President of the Council.

MR. MARSHALL:

Mr. Speaker, in Question Period for the first question there is a preamble, but the hon. gentleman, I would suggest to Your Honour, has developed it into a speech. I think he should be asked to get to the substance of his question.

MR. SPEAKER:

To that point of order, the hon. member was having a very long preamble and I would ask him to put his question, please.

MR. KELLAND:

Thank you, Mr. Speaker.

I do not believe it was a point of order. However, to go on with the point in question, I would like to say that the minister has said to the public media that the man is not yet employed. However, this is the first part of the question and no longer preamble, information has come to me that questions directed to the Department of Rural, Agricultural and Northern Development are, up to yesterday, being referred to the defeated Tory candidate in St. Barbe district for him to handle. So, I would like to ask this question.

SOME HON. MEMBERS:

Hear, hear!

MR. KELLAND:

Does this government still insist that the defeated Tory candidate in St. Barbe is not yet employed by the Department of Rural, Agricultural and Northern Development? I direct that question to the minister responsible.

MR. SPEAKER (McNicholas):

The hon. Minister of Rural, Agricultural and Northern Development.

MR. R. AYLWARD:

Mr. Speaker, after that long preamble I guess I know the point to the question. He said something about questions directed to the Department of Rural Development were being referred to - I really do not know what that means. But the former member for St. Barbe (E. Osmond) is not employed by my department today.

MR. KELLAND:

A supplementary, Mr. Speaker.

MR. SPEAKER:

A supplementary, the hon. member for Naskaupi.

MR. KELLAND:

If I could be just a little more explicit on that, Mr. Speaker. Enquiries to the Department of Rural, Agricultural and Northern Development, up to yesterday, were being referred by an information officer employed by the minister's department to the defeated Tory candidate in the St. Barbe district. So what I am asking now, if the minister still insists that the gentleman in question is not employed, does the minister know of any other positions in his department, or any other department that urgently require filling that he already has some people in mind for these positions, if they do exist?

MR. SPEAKER (McNicholas):

The hon. Minister of Rural, Agricultural and Northern Development.

MR. R. AYLWARD:

Mr. Speaker, I would like to think that I work very hard at my department but I cannot look after all the rest of the departments so I will not answer for them. In my department, yes, I do have a position available, it has been

available for quite a while now, I do not know how long.

MR. FLIGHT:

Since April 2.

MR. R. AYLWARD:

It has been available since at least last Fall. There is a position in my department but it has not been filled to date, no.

MR. KELLAND:

A final supplementary.

MR. SPEAKER (McNicholas):

A final supplementary, the hon. member for Naskaupi.

MR. KELLAND:

Would the minister then look into what I have said, that references are being made to the defeated candidate in St. Barbe district, he is being referred to as a person who can give information on the agricultural aspect of your department on the Northern Peninsula.

MR. SPEAKER:

The hon. Minister of Rural, Agricultural and Northern Development.

MR. R. AYLWARD:

If the former member for St. Barbe district is being asked questions about my department - I still do not understand the question. If he is getting answers from it he must be enquiring from it. If anyone in this Province asks for information from my department I will try and give it to them because I am there to help them and the department is there to help them. I have not referred anything to Mr. Osmond.

MR. BAIRD:

Mr. Speaker.

MR. SPEAKER (McNicholas):

The hon. member for Humber West.

MR. BAIRD:

Mr. Speaker, I have a question for the Minister of Transportation (Mr. Dawe) concerning the discontinuance of the subsidy on the Bonne Bay ferry. Now there is much concern, and much correspondence has come to my attention, concerning this discontinuance as it could have an adverse effect particularly in the tourism area. I would ask the minister if he would explain and rationalize the reason for this decision?

MR. SPEAKER:

The hon. the Minister of Transportation.

MR. DAWE:

Thank you, Mr. Speaker.

I would like to thank my colleague for Humber West (Mr. Baird) for that unexpected question.

SOME HON. MEMBERS:

Oh, oh!

MR. DAWE:

Mr. Speaker, just a little brief history of the Bonne Bay ferry operation. Prior to a road being completed back in the mid-1960s, a ferry boat was the only means of transportation back and forth. After the mid-1960s, somewhere in 1966 or 1967, I believe, there was a road completed. At that time the operator of the boat came forward to the government of the day and asked that there be a subsidy placed to compensate for the loss of traffic using the road route which had not been there previously. This was granted.

Over the past number of years we have looked at, from a

transportation point of view, the possible discontinuation of that ferry operation based on the fact that the road was there. However, it was realized, and the point brought forward very forcefully by former member for St. Barbe, that to remove that particular ferry before the paving of the road around that Loop was completed would have had an adverse affect on the people commuting in the area.

Earlier this year, Mr. Speaker, we announced early tendering and that was one of the projects to the tune of some \$1.6 million-

SOME HON. MEMBERS:

Hear, hear!

MR. DAWE:

- to complete the paving of that road network around the Loop which makes the distance now to be travelled some fifty-three miles, or approximately eighty-five kilometers, depending upon which particular mode you still operate in.

What we have decided to do is make a long-term commitment to continue the ferry operation subsidy until such time as the road was completed and the people of the area had an acceptable paved road around the Loop. This, Mr. Speaker, it is in the process of being done. As of September of this year the subsidy will come off the ferry-boat and hopefully will coincide with the finished paving of the road network.

I would just like to point out, Mr. Speaker, if I may, that our commitment to a ferry operation to the islands around this Province has increased in magnitude over the past number of years, and since 1979 we have spent a total

of \$43 million in servicing the -

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER (McNicholas):

Order, please!

MR. DAWE:

- ferry systems around the Province.

MR. FUREY:

A supplementary, Mr. Speaker.

MR. SPEAKER:

A supplementary, the hon. the member for St. Barbe.

MR. FUREY:

Mr. Speaker, I am so glad I gave the minister a notice of that question.

MR. DAWE:

That was last week.

MR. FUREY:

Well, the minister says that that was last week.

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

Order, please!

MR. FUREY:

Mr. Speaker, we on this side consult. I have consulted with town councils, with mayors, with development associations, with businesses. I have taken the time to consult. Now to my knowledge this decision was an unilateral decision to cancel the subsidy. There was no consultation from that side over there. I want to ask the minister does he consider this an essential service?

MR. SPEAKER (McNicholas):

The hon. the member for

Transportation.

MR. DAWE:

Mr. Speaker, certainly if there was some sort of an unforeseen accident tomorrow and the road network was cut off, then that would become an essential transportation link. But in light of the fact that we have spent so much money over the past number of years, and \$1.6 million in this year alone, to complete an excellent paved road in that particular area, no, Mr. Speaker. From a transportation point of view that is certainly not an essential service.

MR. FUREY:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for St. Barbe.

MR. FUREY:

Well, Mr. Speaker, it is very interesting that he continues to pound his chest about that money, that \$40 million Parks Agreement, Liberal Canadian dollars.

PREMIER PECKFORD:

No, no, no! That is 100 per cent province expenditures you are talking about.

MR. FUREY:

The lame duck continues.

Mr. Speaker, last Saturday a very, very unfortunate accident happened in Woody Point, when the doctor was on call at the cottage hospital in Norris Point. A gentleman was sawing wood and the power saw ripped through his shoulder, down his arm and across his wrist and it took fifteen minutes to get him to an operation table in Norris Point. That is what I would consider this essential. It would have taken an

hour and a half by road. So I want to know will the minister, in light of that, reconsider with Cabinet treating this foolish decision?

MR. SPEAKER (McNicholas):

The hon. the Minister of Transportation.

MR. DAWE:

Mr. Speaker, I think it is unfortunate that the member for St. Barbe (Mr. Furey) would go on that way because it is unfortunate the accident occurred and I am glad that the individual got to medical attention as quickly as possible.

But the fact of the matter is, Mr. Speaker, that that particular ferry boat makes eight round trips a day. There is a ninety minute time lag between the time the boat leaves and returns and returns back again. If you are, in fact, just arriving at the terminal as the boat is leaving, it takes an hour and a half before the boat returns to get you to the site. It is fifty-three miles around the road, Mr. Speaker, on a paved road which should take someone in an emergency situation in an ambulance much less than an hour to complete that route. I think for consistency and the immediacy of the road network with proper ambulance service, it is much more reliable and much more consistent than a ferry route for that particular instance.

SOME HON. MEMBERS:

Hear, hear!

MR. HISCOCK:

Mr. Speaker.

MR. SPEAKER:

The hon. member for Eagle River.

MR. HISCOCK:

Mr. Speaker, I was going to ask a question of the Minister of the Environment (Mr. Butt) but seeing -

SOME HON. MEMBERS:

Oh, oh!

MR. FUREY:

You have it all covered, I see.

MR. HISCOCK:

Mr. Speaker, could have silence please? I was going to ask a question to the Minister of the Environment, but he is not here so I will ask the Minister of Health. In this House four or five years ago I brought the fact that PCBs were found in Cartwright, Hopedale and Gaultois. The people in Cartwright have asked the Minister of Health to attend a public meeting down in Cartwright on June 12 at 7:00 P.M., the main reason being the high rate of cancer in the Cartwright area. I bring to your attention an editorial that was done in Goose Bay and I understood the editorial say that the RCMP "had an investigation in early 1984 into the possibility of PCBs having been dumped at the old Bell Telephone site in Cartwright many years ago. PCBs were evidently dumped next to the site in one gallon containers and buried over by more refuse. This information was leaked by the RCMP and after calling a few people in the area, it was dropped.

So the people are concerned. If this is true, that several gallon cans were put in there, covered over by garbage, and might be leaking into the water, the people in Cartwright would like to know if the Minister of Health will be attending that meeting. If he does not attend that meeting, will his officials attend? Will he

have an enquiry or an inspection into the radar site at Cartwright?

MR. SPEAKER:

The hon. the Minister of Health.

DR. TWOMEY:

Yes, I have heard about this before and the concerns of the people of Cartwright. Immediately we heard of it in the Department of Health, we got in touch with the Departments of Environment, both provincial and federal. They are sending a team there to investigate the particular site again, I believe about June 14 or so. It has been researched before and, as far as I know from both departments, they feel that the spill was completely cleared up.

I think you did mention in your preamble that there was a concern about the increased incidences of cancer in the area. Research of statistics for the area have indicated that this is not borne out by the statistics. In other words, despite the concern of the citizens, as far as we know, it has been confirmed that there is no increase in the incidences of cancer in the area.

About the effects of PCB, as far as the World Health Organization is concerned, they find no conclusive evidence that there is a relationship between PCB and cancer. Research work has been done on the Island of Taiwan and Japan where they have been able to do a remarkable study, because apparently PCBs has been mixed with the rice they have eaten over a long period of time.

There has also been extensive exposure of people in Japan with PCBs. Other empirical statements I could make, but I cannot substantiate them factually or

scientifically. I understand it has been used as a local treatment for rheumatoid arthritis, it is being used as a cleansing agent by many people.

MR. BARRY:

The members should all have a bottle to drink every day, like water.

MR. SIMMS:

You need to cleanse your souls, anyway, the whole lot of you.

DR. TWOMEY:

I am just giving you the facts, Sir, nothing else.

MR. RIDEOUT:

It might do something for the Leader of the Opposition (Mr. Barry).

MR. SIMMS:

Good answer! Good answer!

SOME HON. MEMBERS:

Hear, hear!

MR. HISCOCK:

Mr. Speaker.

MR. SPEAKER (McNicholas):

The hon. the member for Eagle River.

MR. HISCOCK:

Mr. Speaker, the Minister of Health (Dr. Twomey) gave a great lecture on research, but what the people in Cartwright are concerned about is a number of cases of cancer, attested to by the nurse in that community, the Anglican priest in that community, the Combined Council and the Eagle River Development Association.

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

Order, please! Order!

MR. HISCOCK:

My question is for the Premier. Concerning PCBs, they were originally at the American bases in Hopedale and Cartwright, and we have taken them and stored them in Goose Bay. There has been an incident in Goose Bay where a worker was told by his supervisor that it was not PCBs. He put his arm into the PCBs up to his elbow, and found later that it had been PCBs. And, by the way, two months later he is still waiting to have an examination. My question to the Premier is, since the US now plans to retrieve PCBs stored in the Arctic, will he be contacting the Minister of National Defence (Mr. Nielson), in Ottawa, to find out if he will be asking the Americans, when they go to the High Arctic to remove the PCBs, that they also come into Goose Bay and take out the PCBs which are stored in the bunker there?

PREMIER PECKFORD:

Mr. Speaker.

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

Mr. Speaker, first of all I would like to propose a vote of confidence in the Minister of Health (Dr. Twomey) on his answer of a few moments ago.

SOME HON. MEMBERS:

Hear, hear!

MR. HISCOCK:

The person in Goose Bay waiting to get in hospital would not care.

PREMIER PECKFORD:

Now, the hon. member asked the question about it. I do not know where the hon. the member for

Eagle River (Mr. Hiscock) keeps himself, and furthermore, I do not care very much. All I know is that I was in this House a number of days ago when the Minister of Environment (Mr. Butt) gave a very detailed answer to the question; where it was stored, what was going to happen. Perhaps that is why the Minister of the Environment is not here, he has a meeting with the Minister of National Defence.

The hon. member asked me whether we are going to get on to the Minister of National Defence. The Minister of Environment answered that question three, or four, or five days ago and told the House, and told the people of Newfoundland that he had the matter secured but that, yes, he was concerned as the Minister of Environment. He is going to meet with the Minister of National Defence on Monday, the Minister of Environment is, to pursue the matter to see there is no danger here, and if there is any danger, then the Minister of National Defence is going to have to take some action.

Additionally, and thirdly, the Minister of Health (Dr. Twomey) has just said in his detailed answer, which obviously the hon. member did not get into when he got up to ask his supplementary, for obvious reasons, that they are going to be sending another group of people down to Cartwright on the issue.

MR. HISCOCK:

That is what I asked.

PREMIER PECKFORD:

And he answered it.

MR. HISCOCK:

That is what I asked.

PREMIER PECKFORD:
What is the point.

MR. HISCOCK:
But I asked a supplementary question on it.

PREMIER PECKFORD:
The supplementary question has been answered days and days ago. It has been on the radio in Labrador. I do not know where the hon. the member for Eagle River (Mr. Hiscock) keeps himself.

MR. BARRY:
What about this worker who cannot get into hospital?

MR. SPEAKER:
Order, please!

PREMIER PECKFORD:
He did not ask about the worker getting into hospital, that was the Leader of the Opposition's (Mr. Barry) question from his seat.

SOME HON. MEMBERS:
Oh, oh!

MR. SPEAKER (McNicholas):
Order, please!

PREMIER PECKFORD:
The hon. member for Eagle River asked about when we were going to get on to the Minister of National Defence (Mr. Nielson). I did not hear the hon. member mention about the gentleman not getting into hospital. I heard him say he put his arm down, and then I heard the Leader of the Opposition talk about the hospital.

Now, if the hon. member's question is that this gentleman, this person could not get into the hospital in Happy Valley - Goose Bay, and is seriously ill, or has a problem and needs to get in, well, I am sure the Minister of

Health will take action on it before the day is out and see to it that something happens. But the rambling way in which the hon. member asked the question leaves one to wonder what he wanted answered after he sat down. But if it has to do with some person in our Province who has a medical problem and needs to get into hospital, well, then, I agree with the hon. member. I will discuss it with the Minister of Health. And if he wants to ask the Minister of Health a supplementary he may, under the rules of the House, and we will take action on it forthwith.

SOME HON. MEMBERS:
Hear. hear!

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

The time for Oral Questions has elapsed.

MR. BARRY:
On a point of order, Mr. Speaker.

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

MR. BARRY:
I am not sure if my ears heard correctly, and we will get Hansard and establish just what it was that the Minister of Health (Dr. Twomey) stated, but was the purpose of the Premier's vote of confidence in the Minister of Health because of the minister's indications that he is relying on scientific reports that would indicate that PCBs are not all that harmful, and that we should not be overly concerned about them? Was that the purpose of the vote of confidence?

PREMIER PECKFORD:

To that point of order, Mr. Speaker.

MR. SPEAKER:

To the point of order, the hon. the Premier.

PREMIER PECKFORD:

Mr. Speaker, as we saw yesterday, the hon. the member for Fortune - Hermitage (Mr. Simmons) had to be brought to task, and now we must bring the Leader of the Opposition (Mr. Barry) to task. Would the Leader of the Opposition please read the rules of the House? Because that is not a point of order, and if he wants to ask a question about it tomorrow, then he is free to do so.

MR. SPEAKER (McNicholas):

To that point of order, there is no point of order.

Answers to Questions for which
Notice has been Given

PREMIER PECKFORD:

Mr. Speaker.

MR. SPEAKER (McNicholas):

The hon. the Premier.

PREMIER PECKFORD:

In answer to some questions which just came up in Question Period a few minutes ago, I would like to provide the following information for hon. members: A chronological account of the PCBs clean-up at Hopedale and Cartwright, 1979 and 1980 and what was done. On December 10, 1979, a spill of PCBs was reported to the RCMP in Cartwright at the abandoned USAF radar site to Environment Canada. Then following that, on the 18th. - this is October 18, I am sorry, and October 12 - another spill was reported to RCMP in Hopedale at

the abandoned USA radar site there. Environment Canada made attempts to identify the owners of these sites but were not successful, and on it goes.

It is a very detailed account of what has happened and what they have tried to do about it. So it is all here for hon. members. Before I sit down, all I can do is state that there has only been somewhere in the range of 200 to 300 seconds pass since the question was asked. Now I have done my best to get what information I could in that 200 or 300 second period. Before tomorrow is out, no doubt we will have additional information for the hon. gentlemen.

Orders of the Day

MR. MARSHALL:

Order 2, Committee of Supply.

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

COMMITTEE OF SUPPLY

MR. CHAIRMAN (Greening):

Order!

Consolidated Fund Services.

DR. COLLINS:

Mr. Chairman.

MR. CHAIRMAN:

The hon. the Minister of Finance.

DR. COLLINS:

Mr. Chairman, just to set the scene for what we are doing - I am sure all hon. members know this, but I think it is useful to be

sure - there are seventy-five hours of consideration for estimates, that is, the estimates of all departments and, as hon. members know, the consideration given to the Interim Supply Bill comes off those number of hours. Now, we have spent just five hours in Interim Supply, and then there are the three Estimate Committees dealing with some departments. They have three hours apiece for Concurrence Debate, so there are nine hours there. By my calculation, that leaves us sixty-one hours for consideration of the estimates of the departments, either in the House or in the Estimates Committees.

Mr. Speaker, this is the first estimate, therefore, the first head of expenditure to be considered in the Committee as a whole. I rise to discuss this with some trepidation, because the Opposition, for a number of years, as a matter of fact, ever since the Estimate Committees have been put in place, have claimed that they are against that. They feel that they want all the estimates in the House, and the reason why they want all the estimates in the House is that they do not feel that the Estimate Committees can do justice to the particular departmental estimates and they feel that the Committee of the Whole, which is the House, should consider all the estimates because, there, they will give them searching investigations. So that is why I rise with some trepidation, because I am sure I will now be subject to the most searching investigation of every small, little expenditure under the head, Consolidated Fund Services. Hon. members will go through the budget document in detail. They will ask cogent questions, they will require

explanations, they will not get into any sort of partisan nonsense that we have seen for so many years in this House when the estimates have come up, whereby there was no movement of the first item in estimates, which was the minister's salary. Usually, the Estimate Committees and the House, as a whole, have bogged down just on the minister's salary and all the rest of the estimates were not considered.

Now, because of the view taken by the Opposition over the years, I am sure that will not happen here. I am sure that every item will be searched out and will be looked at in tremendous detail.

Now, Mr. Speaker, just to set the scene of this, Consolidated Fund Services - there is a brief description of that in the budget document. It reads as follows: "Expenditures made under Consolidated Fund Services represent the management expenses and service costs to Government of maintaining the public debt of the Province and the funding of the pension plans for Government and Government Agency employees." That is what we are considering here.

Now, Mr. Speaker, there has been a considerable amount of interest expressed, every time Consolidated Fund Services come up, in the debt of the Province.

I do have some figures here that hon. members probably have also.

MR. BARRY:

Work out the per capita debt that you have calculated.

DR. COLLINS:

Sure. But they read as follows: Our direct debenture debt - that

is the debt that we have arising out of the issuance and sale of provincial bonds in the international financial markets - the estimate for 1984 - 1985, that is, at the end of the fiscal year just past - and it has to be an estimate at this stage because there are a few details that yet have to be wrapped up, but it is quite an accurate estimate at this stage of the game - I suppose the final figure will only be known when the public accounts are tabled, which likely will be before the end of the year, that will give the absolute, precise figure but the figure I am going to give is as near I think as is practically required.

So, our direct debenture debt is \$3,077,000,000. We also have debt arising out of our sale of Treasury bills. Not all provinces raise some short-term cash through the sale of Treasury bills, but we are one of the provinces which do and we have an outstanding debt there of \$130 million. So that gives our total direct debt, the debt that the province itself is required to service and is required ultimately to repay, is \$3,207,000,000.

MR. BARRY:

What is that?

DR. COLLINS:

That is the total direct debt. That is the debenture debt plus the Treasury bill debt. The vast majority of it is debenture debt.

Now, Mr. Chairman, for quite a number of years we have had sinking funds in place whenever we make a bond issue. In other words, there is a certain amount put aside, shall we say, which accumulates over the years and helps us to pay off the principle

amount of the debt when it becomes due for redemption. We have accumulated total sinking funds related to our direct debt of \$701.6 million. So you subtract therefore the sinking fund, which you have put aside for the redemption of your debt, from your total direct debt outstanding and that net figure is the net direct debt and that works out at \$2,505,000,000.

Mr. Chairman, there is also another form of debt, that is guaranteed debt. It is debt that the Province did not actually contract itself but, nevertheless, it is on the back of the note, shall we say, and that is debt that we guarantee for Crown corporations, for schools, for utilities and so on and so forth. The total amount of Crown corporation and other debt is just over \$1,573,000,000., but there are also sinking funds related to that of \$145 million. So the net amount there is \$1,428,000,000. If you want to add the net direct debt to the net Crown corporation debt you get what we refer to as the total public sector debt.

MR. BARRY:

Three nine three three nine,
\$3,933,900,000.

DR. COLLINS:

That is correct. I am just giving you the figures for the record and to make sure that there is any undue time spent on them.

Now the hon. the Leader of the Opposition (Mr. Barry) asked me for some figures related to the per capita situation. Per capita public sector debt, this is all debt, this is the combined, direct and Crown corporation debt, is \$6,770.

Mr. Chairman, there may be a few other figures that hon. members might be interested in. They might be interested to know where our public sector debt as a percentage of personal income is and the latest figure we have works out as 70 per cent.

Now, we do not have figures for other provinces of that current date. The latest we have for other provinces is 1983. In 1983 that percentage, that is the public sector debt as a percentage of personal income, that is total personal income that is earned in the Province in a year, the figure in 1983 for Newfoundland was 69.6 per cent and the nearest to us in that was New Brunswick which was 62.6 per cent. So we are the highest in that regard. That is brought about by two factors, one, we do have a high level of debt but, two, we have a relatively low level of aggregate personal income, so that is why our debt on a percentage basis of personal income is high compared to the other provinces. As I say, the nearest to us is New Brunswick.

AN HON. MEMBER:

What about the other provinces?

DR. COLLINS:

I do not have all the other provinces but I do have Quebec, they are 56.4 per cent, Nova Scotia is 52 per cent, Manitoba is 49.3 per cent and the other provinces are lower than that, that is Ontario and the Western provinces and so on.

MR. BARRY:

What is it on the percentage of Gross Provincial Product?

DR. COLLINS:

Again, for 1984 - 85, in Newfoundland the public sector

debt, that is, as I say, the combined, direct and guaranteed debt, as a percentage of the Gross Domestic Product was 67.2 per cent. That is the latest figure we have. As I mentioned a few moments ago, we do not have latest figures for the other provinces, we have the 1983 figure. So if I go back to 1983 the percentage for Newfoundland was 68.9 per cent, that is the percentage of our Gross Domestic Product represented by our public sector debts, 68.9 per cent. The nearest to us is again New Brunswick, they are 60.9.

MR. BARRY:

What is it in Newfoundland again?

DR. COLLINS:

68.9 percent. It has come down a little, in actual fact, in the last two years.

MR. BARRY:

What was Newfoundland's?

DR. COLLINS:

In 1983?

MR. BARRY:

Yes.

DR. COLLINS:

It was 68.9 per cent, and New Brunswick was 60.9 per cent.

MR. BARRY:

What about Nova Scotia, do you have that?

DR. COLLINS:

Nova Scotia was 53.9 per cent.

MR. BARRY:

In 1983?

DR. COLLINS:

In 1983.

MR. BARRY:

I have here 66.9 per cent. You

have 53.9.

DR. COLLINS:

Well, that is the latest figure I have here. This is Gross Domestic Product at market prices. I do not know. You might have your Gross Domestic Product in some other way. You can express Gross Domestic Product at factor prices and all this sort of stuff. I suppose it does not matter how you calculate your Gross Domestic Product, it the comparative relationship that is the important one.

Mr. Chairman, the budget lays out what our requirements for the coming year are. They are all there to read. But if I may, just very briefly mention them. For our Current Account requirements, roughly \$73 million, and for our Capital Account, \$243 million. So our total budgetary requirements, if one uses that term to express what we need for Current Account and Capital Account, our total budgetary requirements are approximately \$316 million. We also have to redeem certain debts, and we roll over debt as it becomes due. So we have to borrow for these redemptions. We also borrow for the sinking fund requirements that I mentioned mentioned earlier. And that Debt Retirement, that total amount for redemptions and sinking fund that comes to \$99 million approximately. So our total borrowing requirement for this year is \$415 million, in round figures.

We will borrow from the Canada Pension Fund just over \$40 million, that fund is available to every province. They can borrow in amounts related to their contribution of their citizens to the Canada Pension Fund. The

amount in that fund is then available to each province as an investment by the funds. We pay interest on it, so that helps out the fund obviously. But we will borrow just over \$40 million from that fund, leaving us approximately \$375 million to borrow elsewhere.

We will borrow that to the extent we can in Canada, but it would not be desirable for any number of reasons for us to confine our borrowing to Canada. The Canadian market is not just large enough to accommodate all the borrowing that would be required by the federal government, by all the provinces, by the corporate sector and so on without interest rates becoming unduly high. But we will borrow a certain amount of it in the Canadian market, but we will also borrow in some foreign market.

In doing that, in the Department of Finance we have the Debt Management Division keeps a very close eye on happenings in the international and financial markets. We fiscal agents who are available to us, who at our call, and, indeed, on a regular basis they supply us with information as to what is happening in the financial markets. We also get some unsolicited information. Many people, for whatever reason, send us information, undoubtedly some of them are hoping at some point in time to become fiscal agents for the province. We get a large volume of information coming in and on the basis of that, and depending on our cash requirements at any particular time, we will go to bond markets and we will pick the market that seems at that particular time most advantageous.

MR. CHAIRMAN (Greening):

The hon. member's time has elapsed.

DR. COLLINS:

All this is, of course, subject to Cabinet permission.

The other information that I have here will be available as members wish it.

Thank you.

MR. TULK:

Mr. Chairman.

MR. CHAIRMAN:

The hon. member for Fogo.

MR. TULK:

Mr. Chairman, first of all, the minister is right when he stands in this House and talks about the importance of the budget debate, the estimates debate. I understand that we are debating three of the subheads. I wonder if somebody over on that side of the House could see that some of his members considers the estimates to be as important as he does.

It is very, very rare, for example, that we see a full crew sitting on that side of the House any more, unless it is for some little political statement that - I see the member for Port au Port (Mr. Hodder) just got in - the Premier is going to make, some great announcement that usually comes to nothing, that usually contributes to the debt and the borrowing and the unemployment that is in this Province. So I wonder if somebody could help the poor old Minister of Finance (Dr. Collins) over there to at least,

MR. WARREN:

Sit down, boy!

MR. TULK:

Is that the non-voice from Torngat (Mr. Warren)?

I am wondering if somebody could help the poor old Minister of Finance at least to get somebody in to listen to his answers to the very important questions. All the benches. The member for Torngat is there. He does not count. The member for Humber Valley (Mr. Woodford), the member for St. John's North (Mr. J. Carter) is there, as usual, half asleep, I suppose.

AN HON. MEMBER:

He is not awake yet.

MR. TULK:

That critic of the teaching profession is there, in the back seat, the member for Placentia (Mr. Patterson), and old landslide from Humber West (Mr. Baird) is over there, old eighty-nine votes, almost his age.

Mr. Chairman, I would hope that somebody over on that side could go in and muster up a few people to come in and listen to the Minister of Finance (Dr. Collins). The poor man must feel deserted. He must feel left out. And I know that members on that side must be ashamed of his performance as Finance Minister. They have to be. And perhaps that is the reason they are not in here, for that they cannot be blamed.

Let me ask the minister -

MR. BAIRD:

On a point of order, Mr. Chairman.

MR. FLIGHT:

Oh, my Lord! Now we are going to get a point of order.

MR. CHAIRMAN (Greening):

A point of order, the hon. the member for Humber West.

MR. BAIRD:

Mr. Chairman, to that remark that just emanated from across the floor, I would like, as a member of this caucus, to say we are very, very proud of our Finance Minister (Dr. Collins).

SOME HON. MEMBERS:

Hear, hear!

MR. FLIGHT:

Landslide.

MR. TULK:

To that point of order, Mr. Chairman.

MR. CHAIRMAN:

There is no point of order.

The hon. member for Fogo.

MR. TULK:

The member for Humber West (Mr. Baird) if he will be proud of the Minister of Finance (Dr. Collins) he would be proud of anything. It is no point of order. He is just trying to interrupt my time for speaking, Mr. Chairman.

MR. CHAIRMAN:(Greening):

There is no point of order.

MR. TULK:

There is no point of order.

MR. CHAIRMAN:

The hon. member for Fogo.

MR. TULK:

Mr. Chairman, let me ask the Minister of Finance a few questions, and let me ask the member for Humber West, I believe, it is, that beautiful district of Humber West, if he is proud of a certain number of things in this Province like our credit rating in this Province. The Premier comes into this House and he is very, very fond of standing up and

talking about our credit rating. But is there any truth to the statement that our credit rating is so low that if it went any lower it would go down the chute, be gone completely? What is the credit rating? Let me ask the Minister of Finance (Dr. Collins) what our credit rating is today in relation to the other provinces in Canada? Where do we stand with our credit rating in relation to the other provinces of Canada? In view of the fact that the Minister of Finance has never been known, and this is shameful, to project a deficit right - it is bad enough to have a deficit. Every government in the world will try to balance the budget in the long run, but this minister has been there for six years and he has never been able to balance the budget. And not only that, he has never been able to project his deficit. Last year, I think, he projected a \$32 million deficit and we ended up with an \$80 million deficit. This year he has predicted - what is it? - \$70 or \$72 million? Now, does that mean we have to take that figure and multiply it by two and a half, as we have had to do every other year? Are the financiers in this world looking at this government and saying, if Mr. Peckford, from Newfoundland, would only get rid of that Finance Minister, then, perhaps, the credit rating might rise a bit and we may be able to borrow a bit more cheaply in the money markets of the world? Is he finding it difficult to borrow money for Newfoundland?

I wonder if the member for Humber West (Mr. Baird) is proud of the high rate of unemployment in this Province? Is he proud of that?

MR. BAIRD:

No.

Well, let me ask the Minister of Finance (Dr. Collins) - how many people do we have unemployed today, I wonder?

MR. BARRY:
Over 60,000.

MR. TULK:
That is the official count, is it not?

MR. BARRY:
Yes.

MR. TULK:
- will the fact that we have over 60,00 people unemployed have any effect when he goes to the money markets to borrow money? This whole 66,000, that is just the official rate. What is this deficit that he has created going to do for the unemployed in this Province? Is it going to do anything? The minister has mentioned borrowing. How much will he really have to borrow? Can we count on his figures being right in that regard? I think they have something like \$460 million they have to borrow. Is that correct? If it is not will he give us the figures? And can we, indeed, rest assured that what the minister predicts he has to borrow is exactly what he has to borrow? What about the interest on our debt? Are we reaching a point where we are taking up almost all of our current account? What percentage of our current account are we now using to pay interest on our public debt? Will the minister explain to us why it is that when this government, when this administration, this Tory administration of which the member for Placentia (Mr. Patterson) is so proud, and the member for St.

John's North (J.Carter), came to power in this Province there was a total debt of \$790 million and, I believe, if you put those figures together that the Finance Minister (Dr. Collins) gave to the Leader of the Opposition (Mr. Barry) today, we are close now to a \$4 billion public debt. When the Liberals left office just fourteen years ago it was \$790 million. Now, I know the minister is going to say that is not right. But it is correct, and today we are up to a \$4 billion public debt. That is a round figure. It may be over that. You cannot listen to the minister's predictions. You cannot sit down and say I will take those predictions now and count the public debt, because they change so rapidly from one day to the next, they escalate so fast. It is the same as the weather forecast in Newfoundland. You wake up in the morning and you get the weather forecast, but you never know for sure if it is going to be sunny or if it is going to rain before evening.

DR. COLLINS:
That weather is not my responsibility.

MR. TULK:
But you are responsible for something just as bad, just as unpredictable, and that is your budget. The minister comes in and he makes a prediction that we are going to require this much money this year, that our deficit is going to be this much, and before the ink is dry on the paper that is useless.

DR. COLLINS:
I might have to go to weather forecasting.

MR. TULK:
You would be just as good as you

are at predicting a deficit. As a matter of fact, we would even give the Minister of Finance (Dr. Collins) a recommendation to go into weather forecasting to get him out of the portfolio he is in. We will do anything for him. So would he now, Mr. Chairman, please stand up and answer those questions for us?

MR. SPEAKER:

The hon. Minister of Finance.

DR. COLLINS:

Mr. Chairman, I can hardly stand, I am wilting under the weight of that attack. However, I had a very large lunch today, so I will just hang together for a little while. The hon. member asked a question regarding our credit rating. I do not know if he was making a political point or not, but he asked the question so I will answer him. We have the lowest credit rating of all the Canadian provinces but, on the other hand, our credit rating has not changed, certainly not in the time when I have had the honour to be in this portfolio and, I think, for some considerable time before that. Probably it has not changed in the last ten years. Now, that is not the case with certain other borrowers. Some provinces, other than ourselves, have been downgraded. It is a bit invidious to point a finger or anything, and I do not mean to point a finger, but Manitoba was downgraded, I think, only last week. And there are certain household names in the corporate sector that have had their credit rating downgraded as a result of the recent recession. Now, we have come through the recession to date - touch wood - we have come through the recessionary period unscathed in terms of credit downgrading, and I trust that we will maintain that

record. The hon. member asked a number of things: What will happen to our credit rating as a result of the deficit and as a result of the unemployment rate? All these things are taken into consideration by the credit rating agencies, but they take other things into consideration too. They take into consideration the evidence of financial management, they take into consideration projected economic developments in the near term, these sorts of thing. And whereas we have always had high unemployment here, and we have always had economic difficulties, nevertheless we have maintained our credit rating, presumably because they balanced of those negatives with the positives, such as our ability to manage our affairs, difficult though that may be, and also because of the near-term economic prospects for the Province.

In regard to projections, that is an old, old story. Quite honestly, I am getting sick and tired of talking about it. I do have to say, though, that our projections are good. Because you have to do a comparative study in that sort of thing. If you take an isolated something, sure, you can say anything about it good, bad or indifferent. But the only way, really, to make a sensible judgment on something is to compare it with something else. Compare our projections with any other province, and I put this challenge to the Opposition if they want to take it up - I do not think they do, because I think they just make this as a political point - put our projections against any other province and I will venture to say that we will come out either best or very near the top. Of course, I do not have to remind any citizen of this

Province or, indeed, any citizen of Canada that the federal government, sadly, makes a much worse job of projecting their deficits than we do. If I remember correctly, Mr. MacEachen, in the early 1980s projected that for that year we would have an \$11 billion deficit. And everyone knows what we had, I think it was \$35 billion. So he was out by, you know, several hundreds per cent. His successor, Mr. Lalonde, came along later and he projected for the current time that the deficit would be something like \$25 billion - quite a change, from \$11 billion up to \$25 billion - but even \$25 billion is very far different from the \$35 billion it turned out to be.

Everyone would wish that they could project accurately. It is humanly impossible but, nevertheless, we are proud of the accuracy with which we have been able to project.

The level of borrowing: I think we can say that what we have said we will borrow, we will not exceed that amount. If you look back, historically, we have not told this House that we will borrow a certain amount and then as the year went on have had to come back and say that we will borrow a great deal more. We do have a certain amount of flexibility available to us. We have cash balances and we have lines of credit with the banks, that type of thing. So I can say that if we indicate we are going to have a total borrowing of \$416 million, that will be the figure we will borrow, within \$1 million or \$2 million.

Now with regard to the debt servicing ratio the hon. member asked what is the cost of our

debt, what percentage of our budget is it, and he suggested it might be getting up to 80 per cent or something or other.

AN HON. MEMBER:

No, he never mentioned a word about it.

DR. COLLINS:

I take that back. He suggested some large figure, anyway.

MR. TULK:

No.

DR. COLLINS:

It is a much larger figure than I would like, but it is not up to that. As a matter of fact, our estimate is that our debt servicing ratio is 17.6 per cent for this year. There are numbers of ways of calculating that figure. We take Standard and Poor's - that is a credit rating agency in the United States - method of calculating debt service ratio, and according to their method, which is a generally accepted method, I believe we estimate our ratio for this year at 17.6 per cent. Now if you want to compare it to other provinces I can do that for you. I cannot give the 1985 figures. I can give you the 1984 figures and, indeed, I can give prior years also. I think the prior years are interesting, because we can see, if we compare over a period of time, that other provinces' debt service ratio has accelerated at a greater rate than ours. Almost all provinces have had an accelerated rate because of the recession and so on and so forth, but in our case we have not been, by any means, the highest growth rate. We have a very high rate, as a matter of fact, I think we have the highest rate, but the rate of increase has been less

than in other provinces. I have them here if anybody is interested in them.

The hon. member mentions that when the Smallwood regime left office, putting it kindly, they had saddled the Province with a debt of \$790 million. I do not have the accurate figure here, figures that we have computed, but my memory tells me it was more than that.

MR. TULK:

No.

DR. COLLINS:

I will accept, for the sake of argument, \$790 million in 1971, at the end of the Smallwood years. But if you translate that into present value dollars that is a very large amount of money. I would remind hon. members that we have over \$300 million of that debt still on our books, that we are still paying at this late stage. We are still paying the service charges on over \$300 million of that and we have still to pay off the principal. We have to pay off the principal in current dollars which are very different from the dollars back in the 1970s. Actually we will not have as much hangover debt in the future as we had in the past. In the past, a lot of debt was borrowed on terms like fifteen, eighteen or twenty years. In recent times we have tended to borrow in the seven to ten year range, not quite as long-term.

I believe those are the main questions the hon. member brought forward.

MR. BAKER:

Mr. Chairman.

MR. CHAIRMAN (Greening):

The hon. the member for Gander.

MR. BAKER:

Mr. Chairman, I have some questions. I will just ask them one at a time rather than getting into any long speeches and so on.

We have seen some figures given here today on the public sector debt as percentages and so on, and we have heard references made to credit ratings. This is the kind of thing I would like to question the minister on. First of all, he said we have come through a recession unscathed and all this kind of thing. I assume he means in terms of our credit rating and not in terms of the unemployed in the Province. Specifically, what is our credit rating and what does it mean?

DR. COLLINS:

Mr. Chairman.

MR. CHAIRMAN (Greening):

The hon. the Minister of Finance.

DR. COLLINS:

Mr. Chairman, the credit rating is a means of giving information to lenders as to the, shall we say, credit worthiness of borrowers. It is something that was developed in the United States originally. The New York market, of course, is the largest financial market in the world, and, I suppose, it is only natural that this mechanism should be developed there first. It really is a way of grading various people who go to borrow in that market.

There are two main credit rating agencies down there, there is Standard and Poor's and there is Moody's. They both have their different methods of rating. With Standard and Poor's we are graded an A, with Moody's we are graded a

BAA (1). Unless you know how they grade them and what other provinces are graded as, it is hard to get much sense out of that, but that is the factual answer. I just will reiterate that with Moody's we are below any other province, with Standard and Poor's we are an A and there are certain other provinces which are A, I just cannot recall them offhand now. I believe New Brunswick is one of them, is an A. We are more or less equivalent with certain provinces in Standard and Poor's book, but we are the lowest with Moody's.

Now, just as an aside, they do not have this arrangement in Europe. We do a certain amount of borrowing in Europe, obviously, or at least we have in the last ten years or so. There is no credit rating over there. The only way you can look upon our credit worthiness over there is to look upon the yield on our bonds. And if you compare our bonds with some very much richer provinces, and, indeed, with some other countries, the yield on our bonds compares very favourably. In other words, the Europeans look upon us as quite a good, credit-worthy borrower, much more so than you would imagine they should, on the basis of the United States credit rating.

That is due, to some extent, to their familiarity with us. We have cultivated that market over there mainly for Euro-US borrowings, but we have done a certain number of foreign-currency-market borrowings over there also. So they are familiar with us. They know that when we price our bonds we price them realistically. In other words, we do a good in getting our issues out and they, therefore,

regard us as being pretty good borrowers. I believe that is mainly what the member asked.

MR. BAKER:
Mr. Chairman.

MR. CHAIRMAN:
The hon. member for Gander.

MR. BAKER:
The public sector debt, 68.9 per cent of the Gross Domestic Product, is that an accurate statement, Mr. Chairman?

DR. COLLINS:
It was 68.9 in 1983, and 67.2 in 1985.

MR. BAKER:
67.2 in 1985. That is, as you indicated, much higher than other provinces. I am wondering if, number one, you consider this situation is healthy and, number two, at what point does that become a dangerous thing? For instance, can we go to 100 per cent of our Gross Domestic Product in terms of our public sector debt, and what effect would that kind of increase have?

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

DR. COLLINS:
Well, Mr. Chairman, it certainly would be less desirable than where we are now I think it might help the hon. member if I just gave what has happened over a period of years. If you look at just Newfoundland back to 1977, in 1977 that percentage was 88 per cent; the following year, 1978, it was 83.8; the next year 84.5 per cent; 1980 it was 73.5 per cent and so on. In other words, there has been a declining trend, almost a consistent trend throughout. There were one or two years where

it temporarily jumped up above the previous year, but only to a small extent, and then it continued the declining trend.

So we have gone from 1977, when our public sector debt was 88 per cent of the Gross Domestic Product, down to the present year, when it is 67.2 per cent. It is still a high rate, but it is considerably better than in 1977.

Now, if you look at some of the other provinces, Quebec, for instance, in 1977 their public sector debt was 44.6 per cent. In 1983, the latest I have here, they were 52.8 per cent. So they were going the other way. We were coming down this way they were going the other way. Nova Scotia: In 1977 their percentage was 43.7 per cent, in 1983 it was 53.9 per cent. So they were also going up; they were going one way and we were going the other way.

I do not know if there is a certain percentage that would, shall we say, make you bankrupt. I do not think anyone would sort of come to a position like that, but certainly 88 per cent, that we were in 1977, was a very uncomfortably high level. Even the 67 per cent we have now is still too high a level and we would hope to bring it down as time goes by.

MR. CHAIRMAN:

The hon. member for Torngat Mountains.

MR. WARREN:

Mr. Chairman, I wish to say a few words on these estimates. I notice the Leader of the Opposition (Mr. Barry) in speaking in the budget debate spoke for approximately four days. He did bring up some valid points, but

not once did he mention the \$1 million or over that is allotted to agriculture in this Province.

I also remember, shortly after the election, the Leader of the Opposition (Mr. Barry) said that he would be only to glad to agree with anything that is positive, and I think there is a lot that is positive in this budget.

Mr. Chairman, I would like to ask the Minister of Finance a couple of questions on this budget.

I understand that trapping equipment purchased by commercial trappers is exempt from retail sales tax, as also, are handicraft products. Question number one, could the minister advise the approximate savings this would represent for trappers and for the makers of handicrafts in this Province?

Question number two, there is, in the budget, an increase of \$5 million for school construction in this Province; I realize that these funds, the \$25 million, including the increase of \$5 million, are transferred over to the Denominational Education Committees, and I ask the minister, would he have any idea where, in the next year or so, the schools provided for under this funding will be constructed?

Mr. Chairman, in the minister's budget there is something like an extra \$2 million for housing construction for Native peoples in this Province. I understand the construction is being carried out on a 75/25 ratio with the federal government. On behalf of the people in my district, about whom I am most concerned - and naturally, I should be, having been elected by them on April 2 -

could the minister advise, would this extra \$2 million -

AN HON. MEMBER:
(Inaudible).

MR. WARREN:

Mr. Chairman, I know a lot of people are concerned about me. In fact, in the Estimate Committee the day before yesterday, the only questions asked of the hon. the Minister of Rural, Agricultural and Northern Development (Mr. Aylward) by hon. members on the Opposition side from 9:45 A.M. to 12:00 noon, were questions on Estimate Committees going back over the last five years. Because they did not have any questions of their own for the minister with respect to Labrador, they had to go back and look for questions that I have asked of hon. ministers five years ago.

Mr. Chairman, I believe the hon. the member for Naskaupi (Mr. Kelland) began on a very positive note in the Estimate Committee and asked some darned good questions, having been newly elected and only in the House for two months. But the only questions the hon. the member for Fogo (Mr. Tulk) and the hon. the member for Eagle River (Mr. Hiscock) could ask were questions I have asked the ministers in the last five or six years. I would suggest that the hon. the members for Fogo and Eagle River learn something about Labrador and learn something about the Department of Rural, Agricultural and Northern Development, instead of having to go back in history for their questions. And they are expecting the same answers, Mr. Chairman. But I was excited at the answers that the Minister of Rural, Agricultural and Northern Development (Mr. Aylward) gave the

hon. members. One question they asked him was about a helicopter charter to Red Bay and, Mr. Chairman, to this day, I cannot recall a helicopter charter to Red Bay. I cannot remember ever going to Red Bay on a helicopter charter and I do not know where hon. members got their information. I did not go to Red Bay on a helicopter charter. I would not embarrass the hon. gentlemen at the Committee meeting but I knew they did not have their facts straight. I can assure them that I drove over fifty miles, and twenty-three of those miles were over the worst kinds of roads in this Province, from Pinware to Red Bay.

I would add, Mr. Chairman, when I was in Red Bay, I met with several delegations and spoke at their high school graduation, and the people of Red Bay were very excited to see me. They really appreciated the opportunity of having a member from the government side visit their area.

MR. R. AYLWARD:

The only time they ever saw their member was during an election.

MR. WARREN:

In response to the Minister of Rural, Agricultural and Northern Development (Mr. Aylward), in fact, the only time that they see their own member down there in Red Bay is in the Summertime when the road is fit to drive over and that is about it, Mr. Chairman. So I must say that I took the opportunity of driving over the worst roads at the worst time and, Mr. Chairman -

MR. HEARN:

Why is that?

MR. WARREN:

Mr. Chairman, may I also say that I enjoyed the trip down to Red Bay but let me assure the hon. members that I did not at any time travel by helicopter to Red Bay.

MR. BARRY:

Is the minister going to answer that question?

DR. COLLINS:

Mr. Chairman.

MR. CHAIRMAN (Greening):

The hon. the Minister of Finance.

DR. COLLINS:

Mr. Chairman, the hon. the member for Torngat Mountains (Mr. Warren) asked a number of very searching and cogent questions. I have been going through my documentation here feverishly to come up with the answers. I do not know if I can reach his requirements on this but I will do my best.

In terms of retail sales tax for trappers, I am afraid I cannot give the hon. member what precise savings that will mean to the trappers, but I will say this: we had, prior to the budget, a number of representations from the commercial trappers of the Province asking for consideration. I am also glad to say that since the budget we have received from them a communication acknowledging that we responded to their cry for help. So I think not only was that a rather polite thing to do but clearly it was something that they found quite beneficial or they would not have gone to that extent.

In terms of handicrafts, we also had quite a number of representations to try to do something in some fashion or form for handicrafts. It was not an easy problem to grapple with

because I am sure hon. members know that we got to get money somewhere to fund public services and one of the absolutely necessary sources is our retail sales tax. If we did not have retail sales tax available to us we would have a much lower level of public services in this Province. So, in the interest of people requiring educational services, social services and whatever, we have to protect our retail sales tax revenues. When we grappled with this handicraft thing it presented us with a difficult problem, that we would not see undue leakage, that we did not bring in something whereby there was a tremendous leakage of retail sales tax available to the customer and to the vender out of that regulation which was not quite legitimate for handicrafts, but, nevertheless, they could use the change in the regulation to allow them to to decrease their tax presentation to government. It was not an easy task but we feel that it was worthwhile going into it because it is a very important thing.

The handicraft industry in this Province is looking up quite sharply. We have many talented people in the Province, both in terms of handicraft clothing and handicraft wares for the tourist trade and various other toys and that type of thing. It is a type of industry that can be carried out almost anywhere in the Province. It is particularly important to people in the small rural communities. I think that this move, which we took with some hesitation because of the dangers involved in leakage, is a very good one and I think it will be very helpful.

I would expect the handicraft

industry in this Province to grow quite sharply. The fact that we took off retail sales tax there means that the selling price for any item is now 12 per cent less than it was before and I think that that will be an encouragement. The fact that we were also able to take off retail sales tax for certain visitors to our Province, not only for handicraft goods but for certain other goods, also will help the trade generally while also being very beneficial to handicraft people.

In terms of school construction, in this budget there is an extra \$5 million there. It is given to the DECs. They, in their wisdom, decide where that money will be spent. We had, over the last number of months, conversations with them as to their needs and so on and so forth and I am sure that it will come out in due course where they will spend the money but I am sure it will be well spent.

I think those are the main issues that were addressed.

MR. CHAIRMAN (Greening):

I would like to advise the hon. House there are no questions for the Late Show.

MR. BAKER:

Mr. Chairman.

MR. CHAIRMAN:

The hon. the member for Gander.

MR. BAKER:

Thank you, Mr. Chairman.

I would like to get back to the line of questioning I was going through before the member for Torngat Mountains (Mr. Warren) got up with his tirade about past

elections and all kinds of things. He was so interested, Mr. Chairman, in hearing the response from the minister he left the House. It goes to show the kind of thing that some members do during these debates simply to kill time and stifle sensible discussion, which in this case is supposed to be about the Consolidated Funds Services. I have tried to confine one of my remarks to this particular item, Mr. Chairman.

We had established the fact that our public debt used to be much higher in proportion to our Gross Domestic Product. During the past seven or eight years this percentage has gradually been whittled away at and the fact that we are cutting down our public debt as a percentage of our Gross Domestic Product. Other provinces, the minister has pointed out, have been gradually increasing theirs. The question I have for the minister concerning this movement in the percentage of the Gross Domestic Product is this: Is there any connection between the dropping of the public sector debt as a per cent of the Gross Domestic Product, is there any connecting between that and the rising rate of unemployment in the Province?

MR. CHAIRMAN:

The hon. the Minister of Finance.

DR. COLLINS:

Mr. Chairman, I think that is quite a clever question and I think it is an interesting one actually. I do not know if I can give a really good answer to it. I think I have an answer. I do not know if the hon. member will accept it or not. The only answer I can give is if you look at the trend of what has happened to that

percentage and compare it to the trend line for unemployment, you will find that the two do not coincide. For instance, from 1979 to 1980 there was a drop in the unemployment rate in this Province. It went down from 14.2 per cent, I think it was, to 13.5 per cent between 1979/80, something of that order. In that same period our percentage of public sector debt compared to the Gross Domestic Product went down from 84.5 per cent to 73.5 per cent. So the two trends were not parallel, as a matter of fact, they crossed over one another. So it seems that one is not really related to the other.

MR. BAKER:
Mr. Chairman.

MR. CHAIRMAN (Greening):
The hon. the member for Gander.

MR. BAKER:
I was going to point out, Mr. Minister, that I understand the fact that there are fluctuations in a trend, but when you use the word 'trend' you are talking about what happened over a period of years and not specifically the ups and downs within that time. The general trend from one point to the other in each were in opposite directions and this was precisely my point - one was going down, the other was going up. That is the general trend. Was one going down part of the cause of the other one going up?

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

DR. COLLINS:
Well, I suppose, we could argue about it, but what I did say was that we had a drop in the unemployment rate certainly between 1979 and 1980. There was

a drop there. And we also had a drop in that percentage relating to the public sector. I think if you looked at the long trend line, I do not really think there is that comparison. But even if there is or there is not, I think that the level of public sector debt that we had back in the mid-1970s was too high no matter what. It had to come down. And, of course, this is the same problem that the federal government is faced with now and there has been a lot of argument, as hon. members know, whether you should worry about your level of public sector debt or whether you should not in terms of how the economy is doing. I think the weight of evidence is that at a certain point you have got to worry about it. If it is too high you just cannot leave it there. If it is too dangerous to leave it there. You do not have any flexibility if things go awry in the economy and you got to get yourself a bit of flexibility. In our case, we had considerably less flexibility in the mid-1970s than we have now and we have to grapple with it.

I think also that in this Province the public sector is a very high proportion of our total economy compared to other provinces. That, itself, is not necessarily a good thing. I think that for some considerable number of years we will not be able to get down to levels in that regard, say, that Ontario has and so on and so forth. That would be a great day when we can but I do not think that will come about very soon. But nevertheless, I think that we have uncomfortably high proportion of public sector involvement in our economy and what we have to do is try to get that under control, but even more importantly, we have

to try to get the private sector to come along much more vigorously. And, of course, that has been the whole thrust of this government. We want to set the stage whereby our offshore resources will give rise to enterprises and employment in the private sector, our fishing industry will be restructured in such a way that it can go back into the private sector, that the mining industry, there would be a larger amount of the claims staking and exploitation of our mineral resources and so on, all done by the private sector. As a philosophy in this Party, we do not feel that the way to the future is for government to have increasing percentages of economic activity in this Province. We have a high percentage now. We feel that the private sector should be encouraged to help us get down that percentage.

MR. BAKER:
Mr. Chairman.

MR. CHAIRMAN:
The hon. the member for Gander.

MR. BAKER:
Thank you, Mr. Chairman.

If I understand the minister correctly he is saying that we are going to lower this public service debt as a percentage and that it is still kind of uncomfortably high and that in lowering this we are passing the onus over to private enterprise, is that right, to take up the slack in the economy that might result? Is that a fair interpretation?

DR. COLLINS:
Yes, generally. Sure.

MR. BAKER:
Now my question to the minister in

relation to that is that recently we heard some threats from the federal Minister of Finance with regards to the private sector. He has threatened that if, in the next two years, the private sector does not take up the slack in the Canadian economy that he is going to do dire things to them. I wonder, does the minister here have any feelings like that to pass along to the private sector of the Province?

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

DR. COLLINS:
I think it is a very interesting topic and I do not know if you will get any two people to agree totally on it but, if we just go back to the beginning of the recession in this Province, private sector investments just about collapsed. There was a very, very marked downturn in private sector investments in this Province. I just do not remember the figures offhand now, I had them at one time.

MR. BAKER:
When was that?

DR. COLLINS:
It was a very sharp, from 1981 to 1983.

MR. BAKER:
1979 was it?

DR. COLLINS:
Perhaps back that far although we had a good year in 1979, but there was a very sharp in private sector investment at a time when the recession was hitting this Province. The recession hit this Province at an earlier stage than any other part of Canada. I do not think people understand that.

MR. SIMMS:

It was worse here as well.

DR. COLLINS:

The hon. member for Grand Falls (Mr. Simms) here says it was worse also, not only because it hit early but because it lasted longer. As a matter of fact we have not and we will not until the end of this current fiscal year get back to our pre-recession levels of economic activity.

MR. SIMMS:

Look out then.

DR. COLLINS:

Look out then as you say. I am glad you are here to help me.

MR. SIMMS:

It is really going to take off the next few years.

MR. BAKER:

Just before the next election.

DR. COLLINS:

In Ontario for instance, and in most other provinces, they were back to their pre-recession levels at the end of '83, so we are two years behind the recovery from the recession that many other provinces had.

But I sort of got a little bit astray there. I am sure it is not related to the fact that the hon. Minister of Forest Resources and Lands (Mr. Simms) has come up here. No, I am saying it is not related to that.

MR. BAKER:

He can take the hint though.

DR. COLLINS:

But we have made the point to the federal government that we are going to need more help in the public sector in this Province

than other provinces, we asked them to recognize that. And I am glad to see that the Federal Minister of Justice (Mr. Crosbie) when he was down here, he said that the federal government is willing to look at our economy later in the year to see if the policies that the federal government had to bring in on a sort of broad basis, because they are a national government, they cannot shall we say focus activities -

MR. BAKER:

Sure they can. They have been doing it for years.

DR. COLLINS:

- quite as precisely as the provincial government can and that is why we have provincial governments. Because they can deal very precisely with local conditions. By its very nature the national government cannot do that as well and, therefore, their policies had to be of a somewhat broad nature, but the Federal Minister of Justice, our member in the Federal Cabinet indicated that if those broad measures have a detrimental, or perhaps less as good an effect than anticipated, as the year goes on that they are willing to look at it, and I think that we will, as I am sure they expect us, we will hold them to that attitude because this Province has a much weaker private sector, much less vigorous for reasons that are partly historic, partly by the very nature of our economy here, we are a resource based economy, and a resource base has got sort of international orientation as opposed to consumer orientation. We have a much weaker private sector in this Province and perhaps measures that are excellent elsewhere will not as desired effect here and we will

certainly be on to the federal government about that as time goes on.

MR. BAKER:
Mr. Chairman.

MR. CHAIRMAN (Greening):
The hon. member for Gander.

MR. BAKER:
I was very interested to hear what amounted to an admission by the Minister of Justice that the federal budget was not good for Newfoundland.

You, Sir, said that as the Minister of Justice said, that if in fact as the year goes on this federal budget has detrimental effects on Newfoundland, and I think as reported in Mr. Crosbie's words were, "we will change it." You just said, Sir, that if it shows during the year that there are detrimental effects to the Newfoundland economy, you will hold him to it. My question is how are you going to hold him to it? What specifically would you do to hold him to that?

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

DR. COLLINS:
Well, we will use our very best efforts. We have a very good relationship with the federal government, a relationship that has improved immeasurably in the last year and we have, and I mean this quite sincerely, any communications and discussions we have had with the federal government, certainly in my experience anyway in recent times, they have understood the problems here. We are getting the feeling that they understand and appreciate the problems there much more so than previously. Now what

we are going to have to say to them, you know, all right you understand, now can you deliver? And that is where we will have to make our case with them and I have every confidence that if we have a case to make that they will continue to understand it but I think that they will respond if we about things as we should go about them and we intend to do that.

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

MR. BARRY:
Mr. Chairman, the Minister of Finance gave us some figures with respect to the percentage of the Gross Provincial Product. Gross Provincial or Gross Domestic? Gross Provincial Product I believe.

DR. COLLINS:
Gross Domestic.

MR. BARRY:
Gross Domestic Product, what the percentage of the debt was of our Gross Domestic Product. He referred to not having updated figures for other provinces. Mr. Chairman, perhaps this explains why the minister is having such a hard time in keeping the estimates with respect to deficit on track. I have the figures for 1984 and 1985 for the Province of Nova Scotia. I had no great difficulty in getting these figures. Now I wonder what is going on down in the Department of Finance? Is the minister not just interested? Is it not relevant in what other provinces might be doing or not doing in terms of trying to bring their deficit under control, in trying to actually predict what the upcoming deficit is going to be? As the percentage of Gross Provincial Product - now this is the Gross Provincial Product and

the figures are easily translatable, for Nova Scotia for the year 1983 it was 56.9 per cent. I think the minister's figure for Gross Domestic, I assume it was, was 53.9 per cent.

AN HON. MEMBER:

That is right, yes.

MR. BARRY:

For 1984, the percentage of Gross Provincial Product involved in the Nova Scotia public sector debt was 59.1 per cent and for 1985 - and this is estimated - 59.0 per cent. Now, Mr. Speaker, I am wondering why it would be that the minister would not have access to these figures? Does the minister bother to communicate with Ministers of Finance in other provinces to try and obtain statistics with respect to the budgetary requirements of those provinces? I would suggest to the minister that if he is not doing that he should. The information is there. If it is there for Nova Scotia, it is there for other provinces. The Province of Newfoundland's debt charges as a percentage of total expenditures by the Province. Would the minister have that figure calculated?

DR. COLLINS:

For 1985? I have it here. Carry on. I will find it.

MR. BARRY:

For last year, 1984-85. Well, anyway, I will make the point and we can do our mathematics afterwards. There is a lot of information to be obtained from other Departments of Finance. This information can be updated, and I would submit to the minister, should be updated in the course of preparing a budget for this Province. The minister seems

to be operating on figures back in 1983 from other provinces. There are actual figures available for 1984-85 and there are estimates available for 1985-86. So I would think that the minister would have taken the time, or the minister's officials would have taken the time, to contact these other departments.

One of the things that has become apparent in Nova Scotia is that there is a declining rate of growth in federal revenue sources, a continuing growth in provincial expenditures and the gap is widening. Has the minister done any trend analysis to indicate - and I know the minister is emphasizing the need to reduce our expenditures - has the minister done any trend analysis with respect to a continuation of the decline in the growth of revenue from federal sources? Or is this something that is unknown until we get into these negotiations on the fiscal arrangements which are coming up - when? In this coming year.

DR. COLLINS:

Well, they have to be renewed in 1987, but they will start this year.

MR. BARRY:

So you will have to do it in the coming year then. Does the minister have any idea, at this point in time, of what will be needed from the Government of Canada in terms of revenue relative to the amounts we are getting now in order to keep the Province's deficit from becoming completely unmanageable? Has the minister done any studies on this up to now, or is it still too early to expect to get this sort of analysis from the minister?

I would like to ask if the minister would tell us whether he sees any likelihood, over the next several years, of ever again seeing a surplus in operating account? Are we condemned to ever increasing deficits on operating account? And would the minister indicate how long could we go on with deficits on operating account before the rating agencies are going to look at our credit rating and revise that downward?

I believe I can leave those few questions to start with.

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

DR. COLLINS:
Well, on the last point, Mr. Chairman, the credit rating agencies, I presume, because of the volatile nature of all economies in recent years, are doing more regular assessments of borrowers in the financial markets these days. I think it is fair to say that they probably now are doing an annual assessment of any appreciable borrowers. That seems to be the way they are getting into it. So I have no doubt that they will review us this year. They reviewed us last year and I have absolutely no doubt in my own mind that they will do us again this year. As a matter of fact we have had indications from one that they would like to do that. I recently was at a meeting with other Finance Ministers and Treasurers just after the federal Budget and, in conversations with those people, they pretty well had the same view, that they were likely going to go through a period when every year now they will be reviewed and assessed.

As to what will be the outcome of that? I cannot foretell at this

stage, obviously. We would hope that the outcome will be that we will, at least, maintain our present rating and possibly even improve it, and we will have a good story to tell, I think. We have weathered a very severe recession in this Province and a very prolonged recession. That things are improving. We had a very smart upward turn in our real Gross Domestic Product last year. We are projecting another very comfortable upturn this year, I think, on good grounds. That, of course, in the short term we will expect to get further benefits, not only from the offshore, but from the fisheries, and from the mining sector, particularly, but also from our service sector and other sectors. So I think we will have a good story to tell. You know, I am not saying what the outcome will be, obviously I do not know. But I certainly would hope that they will understand the message we are giving to them.

Now in terms of what we will have to have from the federal government as time goes along. By and large, federal transfers to us are more or less related to what happens in the national economy, most of the formulas used have in there that factor, a relationship with how the national economy goes. I think the national economy is going to go pretty well in the foreseeable future in Canada. We have come through a period of horrendous mismanagement of our national financial affairs, you know, going back to 1975. I mean, the mismanagement was out of this world. And on top of that, we had a world wide recession. We have now every prospect that our affairs in Canada will be managed significantly better and that it is unlikely in the years immediately ahead that we will go

through a similar recession, such as the one that took place in the early 1980s. That was a unique type of thing. You have to go back to the 1930s to have a comparable downturn.

So I think with the likelihood of getting such a recession like that in the near future, plus the prospect of good management that the national economy will do well. And if the national economy does well, I think our transfers, that we have every right to expect, that is why we are in Confederation, and we are not the only one who get transfers. Sometimes you think that we were the only ones who receive equalization payments or EPF payments. By no means, all provinces, even Alberta, receive EPF payments. And there are five other provinces, other than ourselves, receive equalization payments.

So I would expect that those transfers, which we have every right to expect from the national government, will maintain themselves over the coming years, and that we do not have too much to fear on that score. Now, we will not let it lie at that. We will make strong representations to satisfy our needs, especially from the point of view, and we will make this very strong, because the needs in this Province are relatively greater than other provinces because we have catch up to do. We are behind, we will catch up, not the sort of stuff you shake on your hot dog, that is another catch-up.

MR. MARSHALL:

If the hon. minister would permit me?

DR. COLLINS:

Well, I thought they were going to allow the estimates to go through now.

I move the estimates for Consolidated Fund Services.

MR. BARRY:

No, no. I think not.

MR. CHAIRMAN (Greening):

The hon. the President of the Council.

MR. MARSHALL:

Just before the Committee rises, Mr. Chairman, because I think it is necessary for the guidance of the Committee and also for me to be able to respond to questions I got from other members of the Opposition with respect to the budget and when we were going to call it.

MR. OTTENHEIMER:

Very co-operative.

MR. MARSHALL:

And also for the guidance of committees.

According to the rules I calculate, and I would appreciate if the staff of the Chair could check this out over the evening and advise us tomorrow and then I could tell the programme. I checked with the Chair on Interim Supply, we have four hours and fifty-one minutes on Interim Supply which is counted in the seventy-five hours.

MR. BARRY:

Oh, wait now. That was before the Budget came down. Now, that is not counted.

MR. OTTENHEIMER:

Every year it has been this way.

MR. MARSHALL:

If the hon. gentleman, I am just putting this, we can argue this tomorrow, if you wish. Four hours and fifty-one minutes there. There are nineteen heads referred to the committees and three hours each under the Standing Orders, which makes fifty-seven hours, so that then totals sixty-one.

MR. BARRY:

Fifty-seven hours you say in -

MR. MARSHALL:

Delegated out to committees.

So that makes it sixty-one hours, fifty-one minutes. And then for the Concurrence Debate, under the rules there are three hours for each committees, which is deducted, so that is nine. And what we have consumed this afternoon. So I would like perhaps tomorrow if we could just check the figures and when we start the Committee tomorrow perhaps the Chairman could announce the amount of time remaining.

MR. BARRY:

Mr. Chairman.

MR. CHAIRMAN (Greening):

The hon. Leader of the Opposition.

MR. BARRY:

Yes, on that I would like to just make the point that on our ruling of the rules, Mr. Chairman, the time that was taken in Interim Supply should not be deducted. We were debating Interim Supply before the Budget Speech had come in.

MR. MARSHALL:

Mr. Chairman.

MR. BARRY:

Go ahead.

MR. CHAIRMAN:

The hon. the President of the Council.

MR. MARSHALL:

I do not wish to embarrass, but I know I could not embarrass the Leader of the Opposition (Mr. Barry), I do not wish to, but -

MR. BARRY:

Go ahead. Go ahead.

MR. MARSHALL:

- Standing Order 116 (2) reads, "For the purposes of Standing Order 116 (1) "Committee of Supply" includes the Committee of Supply on the main estimates and on interim supply forming a part of the main estimates."

MR. BARRY:

Yes, fine.

MR. MARSHALL:

Now the point of the matter is -

MR. BARRY:

You have not answered my question.

MR. MARSHALL:

The hon. gentleman, please, you know, one and one makes two, and two and two makes four, but, you see you have interim supply purely and simply for the purpose of giving you supply before the budget comes in.

MR. BARRY:

What is the Standing Order?

MR. MARSHALL:

The word 'interim' - there is no purpose for interim supply. I mean, you would not have interim supply, Mr. Chairman, you know, you need the interim supply before the Budget comes in. Anyway, it is there in the Standing Orders for all to see, and that has been the precedent before. I mean, the

hon. gentleman, before, in his other incarnation, was over here agreeing, saying, 'Yes, Sir, no, Sir, three bags full, Sir', so he perhaps did not notice all these things. The fact of the matter is, Mr. Chairman, it is counted, but we will get to that tomorrow.

I move the Committee rise and report progress.

MR. BARRY:

Just to point out to the Government House Leader - there may be, in fact, need for debate and it is possible, I would submit, to have debate on Interim Supply while there is debate also, or the estimates of the House are tabled for debate on the main budget. So the fact, Mr. Speaker, that the 116.(2) is there, does not answer the question.

MR. MARSHALL:

You are having the the problem (inaudible) and the precedents are there.

MR. BARRY:

Well, that may very well be. There have not been as many Leaders of the Opposition with the same perspicacity, possibly, but I am suggesting to the Government House Leader (Mr. Marshall) that this is a point that is deserving of attention.

MR. MARSHALL:

Oh, yes, of course.

MR. BARRY:

It is a matter of some concern to the Opposition, and we are raising it now so that the officials of the House can take a look at it and so that we can make sure we are on the right track.

MR. MARSHALL:

I appreciate that.. We certainly

appreciate it.

MR. BARRY:

But the Government House Leader (Mr. Marshall) begged the question just by pointing to 116.(2), because that can apply only to a situation where Interim Supply has not passed before the Budget Speech has been brought down, if you can see my point.

MR. MARSHALL:

There are lots of people who make points, Mr. Chairman. There are points that are valid, there are points that are invalid, there are points that are correct, there are points that are incorrect, I mean, that is for the Chair to decide.

MR. BARRY:

It is another Committee of Supply you see, another Committee of Supply once the budget has been brought down.

MR. MARSHALL:

Anyway, we both made our points and it now remains to be seen which one is correct.

MR. BARRY:

We may make some parliamentary history here.

MR. MARSHALL:

You might. But I am only doing this to try to let your colleagues know what the order of business would be in the House, you see, in the spirit of co-operation.

MR. BARRY:

So, from what you are saying is we are going to go straight through with the debate on the estimates in the House before we go to the Budget Speech? Is that the point of all that?

MR. CHAIRMAN:

The hon. the President of the

Council.

MR. MARSHALL:

That is right. I want to exhaust the time allotted in the estimate procedures on Committee of the Whole, before we get to the Budget Speech.

MR. BARRY:

All right.

MR. MARSHALL:

That is why I am trying to estimate, so I can tell your colleagues.

MR. BARRY:

You never did make that point, but thank you.

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. GREENING:

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

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

MR. MARSHALL:

Mr. Speaker, before you leave the Chair, I want to advise the Leader of the Opposition (Mr. Barry) and the House as to the sittings of the Estimate Committees.

I believe the Social Services Committee is sitting here in the House tonight to continue its deliberations on the Department of

Social Services.

Now, hear this: The Resource Committee will meet at 7:30 P.M. in the Colonial Building next Tuesday. Now, how is that for notice? It will meet at 7:30 P.M. on Tuesday, June 4, to review the estimates of the Department of Fisheries.

On Wednesday, June 5, the Resource Committee will meet to review the Energy estimates. And I invite the Leader of the Opposition (Mr. Barry) and all members of the Opposition there present to be present.

On Thursday, June 6, provided, of course, all the deliberations are over, the Resource Committee will review the estimates of the Department of Development. The Government Services Committee will meet on Monday, June 3 at 7:30 P.M. in the House, to review the estimates of Municipal Affairs.

MR. BARRY:

Mr. Speaker.

MR. SPEAKER (McNicholas):

The hon. the Leader of the Opposition.

MR. BARRY:

For the information of the Government House Leader (Mr. Marshall), the Government House Leader should not assume that there is only going to be a three-hour block for Fisheries, and I think we would be prepared to interrupt the Fisheries estimates, if it is the minister's convenience, to sit on Wednesday to discuss Energy. But, Mr. Speaker, we would not want to mislead the members opposite into assuming that we are just going to handle each department in nice three-hour blocks.

MR. MARSHALL:

Mr. Speaker.

MR. SPEAKER (McNicholas):

The hon. the President of the Council.

MR. MARSHALL:

All I can say is you just cannot please the man. He was in the House earlier today saying he did not get a schedule. Now, I have given him a schedule.

MR. BARRY:

Well, that is good. That is good.

MR. MARSHALL:

Now, the fact of the matter is, if Fisheries go -

MR. BARRY:

The order is what we wanted.

MR. OTTENHEIMER:

Why do we not adjourn and the two of you stay and figure something out later on?

MR. MARSHALL:

If Fisheries go, I do not mind that.

On motion, the House at its rising adjourned until tomorrow, Friday, May 31, 1985 at 10:00 A.M.