



Province of Newfoundland

FORTIETH GENERAL ASSEMBLY  
OF  
NEWFOUNDLAND

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Volume XL

Third Session

Number 25

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***VERBATIM REPORT***  
*(Hansard)*

Speaker: Honourable Patrick McNicholas

Monday

6 April 1987

The House met at 3:00 p.m.

MR. SPEAKER (McNicholas):  
Order, please!

At this point I wish to rule on a point of order raised by the hon. member for Mount Scio - Bell Island (Mr. Barry) on March 31. I also wish to thank both sides for their relevant comments on this interesting point.

The hon. member's point of order relates to remarks made by the hon. the Minister of Justice (Ms. Verge) in reply to a question posed by the hon. member for St. Barbe (Mr. Furey) respecting certain public statements of a Provincial Court Judge.

Before ruling, I think it is necessary to put the hon. Minister's comments in the context in which they were spoken. The Minister was asked the question "Does she agree with the Provincial Court Judge making public commentaries?" The Minister replied, "Mr. Speaker, no, I do not. I do not agree with the Provincial Court judges making comments on public policy," etc. Again, in reply to the member for Mount Scio - Bell Island's point of order, the Minister said, "I did not express criticism of a particular judge. In answer to a question posed, I said that as a general rule I do not agree with judges commenting publicly on public policy." Honourable members when speaking to the point of order quoted Beauchesne, paragraph 321 (1) on page 114 which says: "All references to judges and courts of justice of the nature of personal attack and censure have always been considered unparliamentary." That reference goes on "members have been interrupted...when they have

cast an imputation upon a judicial proceeding."

In this case, it is my understanding that the hon. Minister of Justice did not censure in a personal way the activities of a judge or judges of the Provincial Court. She did not cast an imputation upon a judicial proceeding. Therefore, there is no point of order.

MR. SIMMONS:  
Mr. Speaker.

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

MR. SIMMONS:  
Mr. Speaker, I want to raise a matter which might be a matter of privilege. I intended to speak to the Government House Leader (Mr. Ottenheimer) before but I was a bit late getting here. I think he may be interested in what I have in mind. Mr. Speaker, last week the Minister of Finance (Dr. Collins) did us an important courtesy, indeed, more than a courtesy. He had come to me on a Thursday to suggest that Interim Supply needed to get through expeditiously and I basically said to him, 'Leave it with me, I hear what you are saying and I will get back to you.' In the same conversation I put to him the idea of having an Opposition Party group - let me say it differently, the representation of all parliamentary groups in this House at the Budget briefing. He undertook to raise it with his people and he would get back to me. First of all, there was no deal as such. He had put the suggestion to me on its merits and we came back the next day to say that we had no difficulty with the Interim Supply going through.

Also on its merits I put to him an idea about the Budget briefing. And the Premier the following Monday - members will remember that the Premier and I stood near his desk on the Monday - told me at that time that they had agreed to the principle of the representation and the details would be worked out with the Minister of Finance. And I thank the Premier for that. I did then and I thank him publicly and the minister for St. John's South.

In our conversation, as the minister would attest if he were in the House, I carefully said that, of course, if you intend to include the third parliamentary group in the House - and I would have no objections, I want you to know that - then I would suggest that there be one from the third group and two from the Official Opposition. It was on that basis that the two people had been designated, the gentleman for Terra Nova (Mr. Greening) and the gentleman from Gander (Mr. Baker).

MR. LUSH:

Bonavista North (Mr. Lush).

MR. SIMMONS:

Bonavista North, I am sorry about that. The gentleman from Bonavista North and the gentleman from Gander.

Now, Mr. Speaker, my purpose, and I am just about through in rising now, is first of all to express to the Government House Leader and to the Premier my deep regret that an agreement made in good faith, I believe with the best interest of all concerned at heart, that is to say the people we represent here, came unstuck because a member of this Chamber, the gentleman for Menihek (Mr. Fenwick), and I suppose in cahoots with him the

gentleman for St. John's East (Mr. Long), decided to kick a tantrum.

Now, Mr. Speaker, had the members concerned done their homework, instead of, I assume, being more interested in a public circus, the process would have been a lot better served. Had they, as we had done in the Official Opposition, gone to the gentleman to for St. John's South, I am sure they would have gotten the same response. Indeed, I had understood - as an aside, it is not my responsibility to look out for the interests of the third party but, at the same time, fair is fair - and my statement to the minister, behind the curtain, was that I fully expected, that the same privilege would be extended to the other group. And I had no difficulty with that, that is fair.

The point I wish to make, Mr. Speaker, is, first of all, that I find it regrettable that a member of this House put the important process of members of this Chamber having adequate information to give informed comment on an important issue, the budget of the Province, put that issue second to the public circus that he engaged in on last Thursday. My purpose in rising is to say to the Premier and the Government House Leader I would hope that they will adjudicate what happened last week on its merits, and I hope when budget comes around again they will not hold against the Official Opposition, if you like, the incident of last week, because I submit to them that we behaved correctly in the matter, we did it in good faith. I believe, up until the time the agreement was made with the government, that the government had acted in good faith.

Now, whether or not the privilege

was withdrawn from the NDP because of the television issue I do not know, that is not for me to say. I can only say to the Government House Leader that is what is on the public record, that is the allegation on the public record, and he might want to deal with that. But from my dealings with the Minister of Finance and the Premier on this, I believe they were acting in good faith. I want to say so publicly and, first, express the hope that another time round this unfortunate incident will not damage our ability to make suitable arrangements for the operation of the House. Secondly, Mr. Speaker, I find it offensive - and there has to be an answer to this - that men and woman of good will cannot seem to get our act together on a matter that affects the people of Newfoundland. There seems to be an absence of good will here that would cause that childish, absolutely childish, despicable incident last week, that is not becoming of a group of people who have the confidence of the men and women who sent us here. So I would hope that we could find a better way to solve our differences than the botched attempt that we saw played out in the corridors of the Fourth Floor last week.

As I said, Mr. Speaker, I am not sure if it is a point of privilege but I think it is an important point that needs to be addressed if we are going to operate as people of good faith here.

MR. FENWICK:  
Mr. Speaker.

MR. SPEAKER:  
The hon. the member for Menihek.

MR. FENWICK:  
To that point of whatever it was,

it is nice to hear the sweetheart Opposition there making some pious comments about the whole affair now. The fact of the matter, Mr. Speaker, is that the privilege that was extended to the Liberal Opposition was asked for by us a full twenty-four hours before this event occurred.

MR. TULK:  
Who did you ask?

MR. FENWICK:  
We asked the Office of the Minister of Finance, we asked Newfoundland -

MR. TULK:  
The Office?

MR. FENWICK:  
Well, it so happened that the minister was not available at the time.

Mr. Speaker, in almost all other jurisdictions it is normal courtesy to allow research officers, or members of the Opposition, to be in the lock-up when the budget is being briefed for people in there. The fact is in this case a deal was struck between the Liberal Opposition and the government in which they deliberately excluded us after we asked on three separate occasions to be specifically included in it. The last occasion was Thursday morning, a good three hours before the briefing was to occur. I had a conversation with the member for St. John's South, the Finance Minister, in which I repeatedly requested it. He finally said that the only reason, the final reason for not allowing us in was because we had exercised our privileges by not allowing cameras in the House on special occasions like this unless they were here for the rest of the time.

On that basis, Mr. Speaker, I think we deserve the same consideration as the Official Opposition did in terms of being briefed on it. All we did was say, "If you are briefing them at noon, we wish to be there." We went there when the briefing was to occur, then the Minister of Finance decided not to do the briefing.

Mr. Speaker, quite frankly I think we acted well within our rights and I think I would be within my rights to rise now on a question of privilege of whether the government is giving privileges to the Official Opposition it is not extending to other recognized caucuses in the House. And from that basis, Mr. Speaker, I refuse to apologize for any of the actions that I have followed, and in my opinion the government is the one that is culpable for setting up the situation in the first place.

MR. SPEAKER:

The hon. the Government House Leader.

MR. OTTENHEIMER:

Mr. Speaker, just on behalf of the government, to give a perspective to this, number one, approximately a week before Budget Day the Leader of the Opposition asked the Minister of Finance whether he would consider having Opposition representatives present for the pre-budget briefing. It was evident, I think to everybody, that in Newfoundland - I am not talking about on the Mainland, the hon. gentleman is obviously interested in customs on the Mainland - but in Newfoundland that has not been the custom - for good, for bad, whatever. That is just a fact. It has not been the custom.

The Minister of Finance said something to the effect, well, I will have to consider this, it will be a matter of government policy, and inform you what government policy is. Government policy would include more than the Minister of Finance. Then he informed the Leader of the Opposition, and I think there was some discussion with respect to conditions, like confidentiality and that type of thing, and it was agreed. Now, the hon. gentleman said nothing to the Minister of Finance, and he is not here today, before Thursday, Budget Day, about three hours before the budget was brought down.

He talks about talking to the office. I think he phoned the office the day before. But the office is made up of furniture and the office cannot give a reply. It was three hours before Budget time, the Leader of the Opposition did it a week before, so there is no question of anybody discriminating against the hon. gentleman. The Leader of the Opposition's representation was with respect to the Official Opposition and the Minister of Finance's reply on behalf of the government was with respect to the Official Opposition. The hon. member for Menihek, three hours before Budget time, got in touch with the Minister of Finance and said something to the effect that I would like to send my executive assistant. Now, the process for the Official Opposition was not for executive assistants but for members of the House, and it came down to be two members of the House. I think the hon. gentleman said something then, well, it does not have to be executive assistant, my colleague or I could go. The point is that this was three hours before the budget was

to be delivered, and there was no time for the appropriate consideration of it and for the appropriate agreement to be made. The hon. gentleman thinks it is because of his position on television, but that has nothing to do with it whatsoever. The next time the hon. gentleman wishes something to be considered he shall have to do people, including himself, the courtesy of entering into the discussion earlier than the last minute, so that is basically what it comes down to. It is a bit of a crybaby attitude, I think. It was at the very last minute, three hours before, that he approached the Minister of Finance. The first approach was with respect to an executive assistant and then with respect to a member, and there just was not time for government consideration. Because these are matters upon which a minister wishes to consult with other ministers, on a collective opinion rather than a one-man, individual opinion on something of this nature. So that is basically what it is. The only reason I bring this forward is the Minister of Finance is not here to do it. I do not think there is anything further that I can say on the matter.

MR. BARRY:  
If I could, Mr. Speaker.

MR. SPEAKER:  
Order, please!

I do not think this is the time to have a debate or a discussion. I do not know to what point this was brought up, whether it was a point of privilege or order. It does not seem to be either. I think it was just a matter of some misunderstanding. A member for each party in the House has now

spoken. I think we should get on to the routine business. So I would say that now is not the time to deal further with this matter.

MR. BARRY:  
On another point of order, Mr. Speaker, related to the same matter.

MR. SPEAKER:  
The hon. the member for Mount Scio - Bell Island, on a point of order.

MR. BARRY:  
As I understand what occurred on that occasion -

MR. SPEAKER:  
Order, please!

I have already ruled.

MR. BARRY:  
It is on another point of order, Your Honour.

MR. SPEAKER:  
Another point?

MR. BARRY:  
Yes. It is related to the previous point, Your Honour, as I said.

What occurred was that following the arrangement, and it was an arrangement made in this House between members of this House, Your Honour, and it has some relevance, the member for Menihek became aware that the Official Opposition was to have two members in the lock-up, and unless the government informed the press - now maybe I am doing the member for Menihek a disservice, and if so I am sure the government House Leader can correct me - the media to be there to be ready to televise and record his tantrum and his theatrics -

MR. SPEAKER:  
Order, please!

I do not think this is the time to debate this issue. I have already stated that a spokesman for each side has already stated his view. There is a time to comment further, but I do not think that this is the time.

MR. BARRY:  
If I could -

MR. SPEAKER:  
I am going to call Statements By Ministers now.

MR. BARRY:  
Your Honour, on a point of order, if I could have the opportunity.

MR. SPEAKER:  
A point of order, the hon. the member for Mount Scio - Bell Island.

MR. BARRY:  
My point of order is: I would ask Your Honour to consider whether it is appropriate for any individual member, for the purpose of theatrics, to disrupt the orderly process which was involved in this arrangement, which was to give the Official Opposition a briefing of the Budget, a very important document relating to this Province and to this House, in order to give the Opposition a prior briefing to ensure more orderly debate, more informed debate, and a more informed response. My point of order is I would submit it is not appropriate for a member of this House, and in this case it was the member for Menihek, for the purpose of engaging in theatrics to call upon the press to be present when he participated in a process designed to disrupt an arrangement made between government and the Official

Opposition. In other words, he called the press to be there knowing that he would not go into the lock-up, he did not want to go into the lock-up, but wanted to engage in theatrics in order to disrupt the process that had been agreed between the government and the Official Opposition.

MR. OTTENHEIMER:  
Mr. Speaker, on that point of order.

MR. SPEAKER:  
To that point of order, the hon. Government House Leader.

MR. OTTENHEIMER:  
On that point of order, although I agree with much of what the hon. gentleman says, I think, when Your Honour does research on it, Your Honor will probably find that it may not hold up as a point of order. But certainly the government did not inform the press to be present for the theatrical performance of the Leader of the Socialist Party. I can only assume that the Leader of the Socialists Party (Mr. Fenwick) himself, in concert with his colleague, decided to have a crybaby attitude, and to display theatrics and to disrupt the orderly process through this theatrical and, some might say, immature display. But I do not think, Mr. Speaker, that when Your Honour researchs Beauchesne you will find that theatrics can be ruled out of order. So although theatrical and immature, it is probably not technically out of order.

MR. FENWICK:  
To that point of order, Mr. Speaker.

MR. SPEAKER:  
To that point of order, the hon.

the member for Menihek.

MR. FENWICK:

It is almost astounding that this would even come to the floor, but considering that we have had collusion between the government and the Official Opposition to try and dump on us this day, I think it is pretty obvious to all and sundry that the government is not at all frightened of the Liberal Opposition. It is willing to give it total briefings on the Budget in order to be well prepared for it, but has insisted that we be totally denied any access to it whatsoever.

The only other comment I have to make, Mr. Speaker, is that we did ask the Premier, later on that morning, if he would uphold the Minister of Finance's statement. He was in a Cabinet meeting, he could have gotten the consultation he wanted on it, but it is obviously government policy to try and keep us as much as possible in the dark and to keep this unenlightened Opposition as much as they can in the know, because they need all the help can possibly get to give any kind of decent opposition to the bunch opposite.

MR. OTTENHEIMER:

If I may just add one other point.

MR. SPEAKER:

The hon. the Government House Leader.

MR. OTTENHEIMER:

It is not government's position to be at the beck and call of the honourable Socialist Party if you can not get your act together.

SOME HON. MEMBERS:

Hear, hear!

MR. OTTENHEIMER:

If the hon. gentleman thinks that a couple of hours before the budget debate, when the Cabinet is meeting, the Premier and everybody else is going to disperse, drop everything, because, Oh, the honourable Socialist Party is all upset! They forgot a week ago to ask if they could be in the budget lock-up. They found out that the Official Opposition has out-manuevered them, they are going to be there, and the hon. the Socialists just thought of it. Now, has the Premier to cancel Cabinet and everything has to be at the beck and call of the hon. Socialist Party? It does not work that way.

SOME HON. MEMBERS:

Hear, hear!

MR. SIMMONS:

Mr. Speaker.

MR. SPEAKER:

One final point, the hon. the Leader of the Opposition.

MR. SIMMONS:

Now if my good friend from Menihek wants to let it all hang out, let us have it all hang out very, very quickly. Point number one, I submit to this House, Mr. Speaker, he would not have yet called the Minister of Finance if I had not begged him to do so on the phone 9:30 Thursday morning, after he called me.

SOME HON. MEMBERS:

Hear, hear!

MR. SIMMONS:

I, the official Opposition representative, advising the NDP how to look after its own affairs, number one, advise them 9:30 a.m., and then I called the Government House Leader to inform him, as he



will be aware.

Number two, if he wants to let it all hang out, he can live in a dream world all he wants but I tell him that even in dreams you need your homework done.

Number three, let me say that, yes, I respect the rights of people, and that is why I said carefully to the gentleman from St. John's South, the Minister of Finance, that we would have no objections if the third parliamentary group is included, because that is fairness. I have no difficulty with that, none whatsoever. I said that a week before he even called the Minister of Finance. I said it on his behalf, in effect. So I say to him that, yes, I will defend - to take Voltaire in hand - to the death his rights and his right to have rights, but he should understand that he cannot in one mouthful go around piously talking about his rights being trampled on when in the process, as he did last Thursday, he trampled on the rights of this official group, who had already made arrangements, having done its homework.

SOME HON. MEMBERS:

Hear, hear!

MR. FENWICK:

To the point of order, finally.

MR. SPEAKER:

I will hear the hon. member very briefly and then I think we should clue this up.

MR. FENWICK:

With regard to the amount of notice, Mr. Speaker, it was a private deal between the Leader of the Opposition and the Minister of Finance. We did not learn about it until the day before the budget

came down. We only learned about it because we talked to one of the members of the press who said, 'There are two Liberals going to the lock-up. Are you guys not going in as well?' That was the first opportunity we had, Mr. Speaker, to know of it. So if he had done his job and been courteous enough to tell us that this was going on, we could have given all the notice that you could possibly want.

MR. SPEAKER:

Order, please!

I am prepared to rule on that point of order. I think it revolves around the alleged theatrics of the hon. member for Menihek. I do not think that is a matter for me to decide one way or the other. Whether, in fact, they were or not does not affect the rules of procedure in this hon. House. There is no point of order.

Before calling for Statements by Ministers, I would like to welcome a number of people to the gallery: Joseph Loder, the Mayor of Summerside, Bay of Islands.

I would like to welcome Mayor Brian Walsh, Deputy Mayor Gerald Riggs, and counsellor Wayne Noonan from the town council of Bay de Verde.

I would like to welcome Mayor Robert Elliot and members of the fire brigade, Wilfred Mercer and Thomas Saunders, from Point Leamington.

SOME HON. MEMBERS:

Hear, hear!

### Statements by Ministers

MR. POWER:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Career Development and Advanced Studies.

MR. POWER:

Mr. Speaker, I beg your indulgence for a moment. It may be a Ministerial Statement, or you can classify it as a point of privilege, if you like. I know how difficult it is to win awards these days, but on Saturday, in The Evening Telegram, the Leader of the NDP Party, the member for Menihek, was gracious enough to give me a Whining and Dining Award, because my Purchased Services went from \$6,000 to \$21,000, and the member obviously presumed that all of that was in entertainment and purchased, I guess, through restaurants and other kinds of services.

The truth is, Mr. Speaker, that over \$10,622 of that amount was spent on a delegation that I led to Japan and Korea, \$6,000 of it being sent directly to the Canadian Embassy for Purchased Services such as interpreters, drivers, meeting places and that type of thing. There was another \$734 for Newfoundland souvenirs on that trip itself, for a total of \$11,356. Mr. Speaker, it was not entertainment. There were official meetings, meeting space for interpreters, meeting rooms, taxi drivers and that type of thing. I want to say, Mr. Speaker, that I would be glad to give a Whining and Groaning Award to the Leader of the New Democratic Party for not doing his homework.

SOME HON. MEMBERS:

Hear, hear!

MR. FENWICK:

To the Ministerial Statement, if it is a Ministerial Statement, I will be responding to it.

MR. SPEAKER:

We are on Ministerial Statements at the present time.

The hon. the member for Menihek.

MR. FENWICK:

I am glad to hear that the hon. member for Ferryland (Mr. Power) has clarified that. In almost every other instance in doing the budgets we have found that Purchased Services has been only for entertainment. We would be glad to take back the award. Unfortunately, you have not been economical enough, as have the Minister of Justice (Ms. Verge) and others, so we cannot give you the teetotaler award. One of the questions I do have is why was the delegation going to Orient charged to your particular department? Why was it not the Minister responsible for Development (Mr. Barrett), or some other one, which would have been much more appropriate I would understand.

MR. SIMMONS:

Mr. Speaker.

MR. SPEAKER:

The hon. the Leader of the Opposition.

MR. SIMMONS:

Mr. Speaker, I did not object to the sequence here because I understood the minister to say that perhaps it was not a Ministerial Statement. But I would hope that the long-standing tradition of this House is observed, that the official Opposition gets an opportunity to respond to a Ministerial Statement in advance of people from third

parliamentary groups.

To the substance of the statement, the minister again re-enforces the point that we made earlier in the first few minutes of this House and that is that one should do one's homework. And he is correct in saying that the term "Purchased Supplies", was that the term?

MR. POWER:

Purchased Services.

MR. SIMMONS:

- Purchased Services, of itself does not translate as entertainment, entertainment, entertainment, liquor, liquor, liquor, as much as you might want it to. And the first approach for an Opposition person is to go behind and find out what the phrase means. But I say to the minister, and this is my real point here, that he will now be aware, and his colleagues in Cabinet will be aware, that that term "Purchased Services" does not really say what the umbrellas covers. And I say to him, and through him to his colleagues, that when they come before estimates committees, or before Committee of the Whole, they ought in particular to give a breakdown of that particular issue, or it is going to continue to cause the kind of confusion that was created by a combination of the member for Mehinek's uniformed eagerness and the minister's eagerness to be uninformed.

MR. MATTHEWS:

Mr. Speaker.

MR. SPEAKER:

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

MR. MATTHEWS:

Mr. Speaker, as Minister

responsible for Parks it is my pleasure to announce job creation initiatives being undertaken by the government in the area of Provincial Park improvements.

These initiatives are part of the comprehensive package outlined in the Speech from the Throne and detailed in the budget. One thrust of this package consists of funded activities designed to add significant long-term value to the community in general and to provide workers with job experience that could lead to long-term employment prospects.

As a further indication of our government's commitment to these initiatives, I am pleased to be able to announce today that the Parks Division of my department will be spending a total of \$903,626 -

SOME HON. MEMBERS:

Hear, hear!

MR. MATTHEWS:

- to create 200 jobs this Spring and Summer. These jobs, in addition to the regular complement of Provincial Parks staff, will contribute to substantial improvements to 30 of our Provincial Parks throughout the Island and Labrador.

An amount of \$28,089 will be spent on supplies and labour in each of the following Provincial Parks: Beothuck, Jack's Pond, Freshwater Pond, Backside Pond, Stag Lake, Mummichog, Duley Lake and Squires Memorial. Seven jobs will be created in each of these parks, Mr. Speaker.

In Catamaran and Jonathan's Pond, expenditures of \$31,848 will create eight jobs each, and expenditures of \$42,072 will

create eight jobs in Square Pond and Notre Dame. An expenditure of \$33,848 will create eight jobs in La Manche.

Both Lockston Path and Piccadilly Head Provincial Parks will have seven jobs result from expenditures of \$38,313, seven jobs will be created in Fitzgerald's Pond, Frenchman's Cove and Sandbanks through expenditures of \$29,089, \$32,089 and \$28,313, respectively.

Five jobs will be created in Dildo Run, Bellevue Beach and Blue Ponds, through expenditures of \$30,979, \$20,271, and \$22,795, respectively, and both Crabbes River and Pistolet Bay Provincial Parks will have five jobs result from expenditures of \$19,979.

Northern Bay Sands and Gooseberry Cove will both have six jobs created from expenditures of \$34,554, and Marine Drive will have six jobs created from an expenditure of \$32,554.

Finally, Mr. Speaker, both Flatwater Pond and Black Bank will see three jobs created from expenditures of \$12,435 and \$11,277, respectively, and ten jobs will be created in Butter Pot and Barachois Pond Provincial Parks, from expenditures of \$50,366 and \$41,366, respectively.

These expenditures, Mr. Speaker, in addition to creating much needed jobs, will make significant improvements to our award-winning Provincial Parks system. Our camping, day-use and natural scenic attraction parks have become an integral part of our Newfoundland way of life and an invaluable asset for tourists visiting our Province.

The jobs created by these projects, moreover, are in addition to the approximately 200 seasonal reoccurring parks staff and some 100 students hired each year. So this year, Mr. Speaker, we will have 500 people employed in our Provincial Parks system.

SOME HON. MEMBERS:

Hear, hear!

MR. MATTHEWS:

Another important aspect of this job creation program is that 40 per cent of the jobs will be assigned to youth, those aged twenty-four years and under, in order to help them gain experience in their search for permanent employment.

These initiatives will create jobs throughout the Province, benefit our young people, and further enhance our Provincial Parks system.

SOME HON. MEMBERS:

Hear, hear!

MR. FUREY:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for St. Barbe.

MR. FUREY:

Mr. Speaker, I welcome this statement on behalf of the hon. member for Stephenville (Mr. K. Aylward), our youth critic, who is in his district on business today.

Mr. Speaker, I do not know why people on the other side of the House are getting so excited about this particular statement.

We see an expenditure of just under \$1 million to create 200 jobs, Mr. Speaker, with 40 per cent of these 200 jobs be targeted

to young people. So they have created 80 jobs, and they pound their benches over there, while 17,920 more young people under the age of twenty-four are looking for work.

SOME HON. MEMBERS:

Hear, hear!

MR. FUREY:

Now, Mr. Speaker, what we are talking about in real terms is 44.5 per cent of all young persons out there, between the ages of sixteen and twenty-four, cannot find work. Just imagine, Mr. Speaker, had they taken the \$3 million they are going to use to build a Motor Vehicle Registration building and applied it against this formula, they could multiply 200 times three and we would have 600 more jobs for young people between the ages of sixteen and twenty-four. But did they chose to do that, Mr. Speaker?

Did they chose to do what is right? Or do they take a twisted priority, for purely pork barrelling and patronage purposes to look after the President of the Treasury Board (Mr. Windsor)? They take 600 young people and relegate them to the back burner to save his political rear end, Mr. Speaker.

SOME HON. MEMBERS:

Hear, hear!

MR. FUREY:

That is where their priorities are. What a shame! What a despicable disgrace. And how can you sit there, hold your heads falsely in a high manner, and pound your benches? You all ought to resign.

SOME HON. MEMBERS:

Hear, hear!

MR. LONG:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for St. John's East.

MR. LONG:

Thank you, Mr. Speaker. I would like to thank the minister for a copy of the statement in advance. We would welcome the statement in as much as it begins to help us all look toward the Summer and some of the plans that his department will have for Summer recreation. The issue of making improvements to the conditions in our provincial parks is something that will certainly be on a lot of people's minds as the Summer weather comes. I would like to register a concern about the kinds of improvements that are being made in the number of parks that do not have any electrical hookups for overnight camping, and I am sure that is a concern that the minister is aware of. So we would have some questions about what kind of improvements these jobs are going to be put in place for. Secondly, we would have a concern, especially, for the young people that will be hired, that these are only short-term jobs. For people who are being asked to work on park improvements for a ten week stint, is not a very exciting proposition for young people coming out of university trying to get enough employment during the Summer to pay for tuition costs and their eligibility criteria for student aid in the Fall. So a ten week project for students to work outdoors in the parks may be a rewarding kind of experience, but there is a real problem of the lack of dollars being put into people's hands.

Those concerns we would like to

put on the record, but look forward to more from the minister in terms of what plans there will be for the coming Summer.

Thank you, Mr. Speaker.

### Oral Questions

MR. LUSH:  
Mr. Speaker.

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

MR. LUSH:  
Thank you, Mr. Speaker.

Mr. Speaker, I have a question for the Premier in the absence of the Minister of Finance. My question to the Premier, Mr. Speaker, is in view of the wide support among consumers, business groups and economists in the Province of Newfoundland urging and requesting government to reduce the Province's excessively high and regressive Retail Sales Tax, can the Premier explain why he and his government did not exceed to this practically unanimous request to reduce the 12 per cent Retail Sales Tax as a means to kick-start the economy?

MR. SPEAKER:  
The hon. the Premier.

PREMIER PECKFORD:  
Mr. Speaker, all the analysis that we have shows that we would be money out at the end of the year if we did reduce the Retail Sales Tax. There is nothing a government wants to do more than reduce taxes, but it would have been a worse deficit, going from approximately \$45 million to \$172 million, and it would have even

gone higher on current account if we had reduced the Retail Sales Tax. The way we want to kick-start the economy is through involving the private sector, having the kind of things happen as happened today with the Minister of Culture, Recreation and Youth's (Mr. Matthews) announcement, and two or three weeks ago the Minister of Forest Resources and Lands (Mr. Simms) announced another couple of hundred jobs, kick-starting the economy by giving a three year tax holiday to new corporations that are starting in the Province, by starting a Youth Entrepreneurial programme to get them into business, the Venture Capital programme and Business Assistance programmes, this is the way to go. All of the independent, legitimate analysis that has been done on reducing our taxes has indicated to us that we would have been money out and therefore the deficit would have been higher. We did not think that that was an acceptable way to go, but rather to try to keep the taxes at the present level, not reduce any taxes on the consumer substantially, except in liquor which is a item which they have discretionary authority over individually, to put some more taxes on some of the corporations, as we have done through the insurance premiums tax, and to try to kick-start the economy that way. To reduce taxes, like the Retail Sales Tax, would only see us accumulate less revenue and therefore increase our deficit.

MR. LUSH:  
Mr. Speaker.

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

MR. LUSH:

Mr. Speaker, it seems as though the Premier and the Minister of Finance are the only ones in this Province that agree with that particular argument.

Now I ask the Premier this: Is he aware that the Conference Board of Canada just recently, in a report to the federal government, stated that the decline in the Canadian economy was the result of the oppressive tax measures recently introduced by the federal government, that is, in the two past fiscal years, 1985 and 1986? Now the increase in these tax measures resulted in a decrease in the growth of the economy. I ask the Premier this: If that is so for the Canadian economy in general, Mr. Speaker, why would that not be so for this Province, particularly with respect to our Retail Sales Tax which is the highest in Canada?

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

It is one thing for the hon. member to say that over the last couple of years the Conference Board has analyzed the economy and therefore with federal government tax increases there has been less consumer spending, and that is so, but it is another thing to say that we can sufficiently stimulate our economy by reducing our sales tax. That is apples and oranges and not apples and apples. If the hon. member wants our deficit, which has now quadrupled, to even go further out of line, then that is the choice we had. We did not increase beyond what our base is now, which is still too high at 12 per cent, but we have not done what the federal government has done over the last two years and

increased these taxes. It is the federal government that has increased over what their previous base was, but we have not, and ours has been there now for three or four years. What we have to do, Mr. Speaker, is try to do it another way. We cannot afford to reduce the retail sales tax, lose revenue, have less to spend and increase our deficit beyond where it is today, so we are stabilizing our tax rates on the consumer and going co-operatively to the private sector, through venture capital, through our loans programme, through our young entrepreneurial programme and through our own measures of job creation, to try to generate more revenue to the provincial economy. If you go to the Conference Board, Mr. Speaker, or any hon. member go to any legitimate economics group around and they will tell you it sounds good to the people but it is a myth to think that you can in Newfoundland's economy, reduce taxes and so stimulate so much that you are going to get more back by reduction. It does not work and all of our analysis shows that. We are taking another course, Mr. Speaker, to try to accomplish the same thing.

MR. LUSH:

A supplementary, Mr. Speaker.

MR. SPEAKER:

A final supplementary.

MR. LUSH:

Mr. Speaker, I would say the Premier's argument sounds good as well, but it only sounds good to the uninformed in this matter.

Mr. Speaker, my final supplementary to the Premier is this: Is the Premier aware that by the predictions of his own Finance

Minister that revenues from the Retail Sales Tax has dropped in terms of percentage increases year over year since 1984, from 8 per cent in 1984 to 5 per cent this fiscal year, indicating, Mr. Speaker, that the Retail Sales Tax has reached the law of diminishing returns?

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

Mr. Speaker, the hon. member, in his own statement, has just contradicted himself. There are still increases being generated through the Retail Sales Tax at 12 per cent. It is 5 per cent now where it used to be 8 per cent.

MR. LUSH:

It is dropping.

PREMIER PECKFORD:

Yes, but there is still an increase. That is the point. We are still able to generate more revenues through the Retail Sales Tax. That is the way it should be. We are getting close to the law of diminishing returns. That is why we have not increased it.

MR. LUSH:

You are there.

PREMIER PECKFORD:

No, we are not there, because there is a 5 per cent increase. Every year we have gotten more money out of Retail Sales Tax than we got the year before. But we are close to the law of diminishing returns.

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

Order, please!

PREMIER PECKFORD:

Mr. Speaker, I said nothing when the hon. member asked the question.

MR. CALLAN:

You are still saying nothing.

PREMIER PECKFORD:

Well, the hon. member for Bellevue never did say anything, Mr. Speaker.

MR. SPEAKER:

Order, please!

PREMIER PECKFORD:

Mr. Speaker, in economics it is a myth what the hon. member for Bonavista North is saying. It is a complete economic myth. He is living in a dream world, and we do not intend to live in a dream world. We intend to live in the real world. We are going to try to keep taxes where they are, reduce them over time as we stimulate the economy through the new measures we have in the budget.

MR. FLIGHT:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Windsor - Buchans.

MR. FLIGHT:

Mr. Speaker, the Minister of Finance has stated that last year's provincial deficit was \$40.9 million. Does the Premier stand by that figure? Is that the figure that the Premier is prepared to stand by?

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

For last year?

MR. FLIGHT:

Yes.



PREMIER PECKFORD:

We made an estimate last year of what the deficit would be and now we have indicated to the House and to the people of Newfoundland what the actual deficit was. Things that changed in the estimates again for this budget this year are: How much retail sales tax we will take in; how much tobacco tax we will take in; how much gas tax. That has to be an estimate based upon the last previous few years.

Number two, our deficit is largely influenced by the predictions made by the federal government in transfer payments, will they be up or will they be down. Every month they adjust them back and forth, \$10 million, \$15 million, \$20 million.

MR. FLIGHT:

What is the correct figure?

PREMIER PECKFORD:

Well, it has been in the budget. I do not know if the hon. member for Windsor - Buchans -

MR. OTTENHEIMER:

It is an estimated figure. That is a revised figure. It is about a month before all the bills come in.

PREMIER PECKFORD:

Yes. It will be a month before all the bills are in. But we will be somewhere where the Minister of Finance will be within less than 1 per cent out. We will be less than 1 per cent out on \$2.4 or \$2.5 billion. We will be out very little. We might be out \$1 million or \$2 million, based on \$2.5 billion.

If anybody, in their own household budget, or in their own business, can budget better than we are

doing as a percentage of the total, then I would like to see where they are. We have done as good as any government in Canada and as good as any business can do based upon the variables that are built into that system.

MR. FLIGHT:

It was a short question, Mr. Speaker.

PREMIER PECKFORD:

So whatever the Minister of Finance said is that final number for 1986-87, we will not be very far off, Mr. Speaker.

MR. FLIGHT:

A supplementary, Mr. Speaker.

MR. SPEAKER:

A supplementary, the hon. the member for Windsor-Buchans.

MR. FLIGHT:

Mr. Speaker, in scrutinizing the Forestry estimates this morning, the Minister of Forest Resources and Lands confessed that he had spent at least \$152,000 more in his 1986/87, last year's, budget, that he had actually shown in the estimates. His revised estimates was \$88,000 when in fact he spent \$240,000, he therefore spent \$152,000 more than was shown in the budget.

Now I would ask the Premier, is that \$152,000 reflected in the provincial deficit? Department spending is understated by \$152,000: Is the provincial deficit understated by \$150,000?

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

There are positives and negatives in the budget, and some positives offset the negatives, keeping the

budget at about what was predicted because of those variables that are in there. And I will say to the hon. member, when it comes under the Department of Forest Resources and Lands, we cannot predict forest fires. The Minister of Forest Resources and Lands, for all his great competence, cannot predict forest fires or predict other things that might happen which will take more money than had been estimated. You do it as a normal year but sometimes there is an abnormal year.

But everything is reflected in the budget. All of the shortfalls of all the departments are reflected, all the positives and negatives come out, and then you will get your bottom line of \$40.9 million. So there are positives and negatives. There might have been another part in the minister's department where he saved money, and then that was transferred and balanced off where he lost money based upon the estimate that he had in the budget.

MR. OTTENHEIMER:

The books do not close for another month.

MR. FLIGHT:

Mr. Speaker.

MR. SPEAKER:

A final supplementary.

MR. FLIGHT:

Mr. Speaker, we are talking about a fixed figure of \$152,000 spent more than the minister had indicated was spent in the revised estimates. So I would say to the Premier, there is no wonder the Finance Minister cannot get his deficits correct when he cannot count on his ministers to get their departmental budgets

correct. I would ask the Premier were there any more? It is too bad the Minister of Finance is not here. Were there any more of those considerations, differences in the amounts spent as shown in the budget, from departmental budgets, and how many?

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

Of course there is, Mr. Speaker. We make estimates and then the final tallies came in. In some cases we have estimated more that we needed, which is then transferred to cover another subhead where more was spent because of some variable within their department, whether it be forest fires or whether it be something happen in a provincial park which was not foreseen, or whether there was a flood and water and sewer people had to come up with more money to cover that. These are unlikely, but sometimes events that occur make for that to happen. And you will find, throughout all of the departmental estimates, some subheads they are right on target, or they might be a bit better than on target and save some money, and others they will lose some. But when it is all balanced off we are in a better position, as the Minister of Finance predicts it now, coming out of last year than we predicted. We predicted a \$49 million deficit and we are coming in less than \$49 million. So overall we have done better. In some places we have done worse, in some places we have done better, but we have done better in more places than we have done worse, and that is why our deficit, coming out of last year, is better than we predicted last year.

MR. FUREY:  
Mr. Speaker.

MR. SPEAKER:  
The hon. the member for St. Barbe.

MR. FUREY:  
Mr. Speaker, I want to ask the Premier a question. I do not know how the Premier can ask Newfoundlanders and Labradorians to accept restraint and hidden taxes when his Cabinet ministers have spent nearly \$250,000 on Purchased Services in the past fiscal year.

PREMIER PECKFORD:  
Mr. Speaker.

MR. SPEAKER:  
The hon. the Premier.

PREMIER PECKFORD:  
Mr. Speaker, easily. In the same way as if the hon. member has to go and do things on behalf of his constituents in his own travel or the Opposition's own travel and so on, Ministers of the Crown have to go to federal/provincial meetings. The Minister of Development (Mr. Barrett) or the Minister of Fisheries (Mr. Rideout) -

MR. FUREY:  
Yes, but that is under Transportation.

MR. SPEAKER:  
Order, please!

PREMIER PECKFORD:  
Yes, and look at the Purchased Services we saw today, Mr. Speaker, that came under Purchased Services, where if a minister goes overseas we have to pay the Canadian Embassy for the interpreters that we get or the taxi drivers that we get. You know, if we are just going to

close shop and get insular and not go out and try to sell ourselves to the rest of Canada and the rest of the world, well, then I think I think we are going to be in serious trouble. The Minister of Fisheries is in negotiations with the Chinese to try and sell male caplin so we just do not throw away the male caplin: Is that a worthwhile opportunity? Should we do that or should we just say no, no, we will just keep throwing away the male caplin and we will not try to find a market for them? So it is throughout all of the departments. The government does not just close down, nor does the Opposition. You have to continue to try and do your work, and the government has to try to continue to do its work. I think the majority of Newfoundlanders and Labradorians would be very positively disposed to the government which is going out advertising around the world, to get more tourists in. Do you know, Mr. Speaker, last year we had the highest increase in tourists coming to our Province, second only to British Columbia, which had Expo.

SOME HON. MEMBERS:  
Hear, hear!

PREMIER PECKFORD:  
We were the next province, and that is because of Purchased Services. So, Mr. Speaker, we are very, very delighted to be able to expose ourselves to the world to get more products, to get more fish markets, to get more of whatever it happens to be. That is the way governments operate, and we are proud of the job that we are doing on that.

MR. FUREY:  
Mr. Speaker, a supplementary.

MR. SPEAKER:

The hon. the member for St. Barbe.

MR. FUREY:

Taxis and travel come under the subhead of Transportation, not Purchased Services. Again I would ask the Premier how can his government expect Newfoundlanders and Labradorians to restrain themselves and to accept these hidden taxes when eight of his twenty-two Cabinet Ministers have hired press secretaries at a cost of \$250,000 to the Treasury when we have a global press secretary called Newfoundland Information Services?

MR. SPEAKER:

The hon. the Premier.

MR. TOBIN:

Does Brian Tobin have a press secretary?

PREMIER PECKFORD:

Mr. Speaker, the Opposition over there are always demanding more researchers and more people to do work for them. Is it right for the government and the various departments to have press secretaries to get out what that department is doing? Do the people of Newfoundland and Labrador who want to know what this department or that department is doing? Mr. Speaker, I think so. In the same way that there can be a legitimate argument made from the Opposition over and over again to increase their budget to do some research and that. Should we cut back the Opposition's research too? Should we cut back what we are now providing to the New Democratic Party, to the Socialists, provide them with nothing? No, Mr. Speaker. Life goes on and we must get our message out and we must do the kinds of things that other

governments are doing. So, we have to provide those kinds of monies if we are going to get our message out.

MR. FUREY:

A final supplementary, Mr. Speaker.

MR. SPEAKER:

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

MR. FUREY:

Mr. Speaker, I would like to ask: How can the Premier ask Newfoundlanders and Labradorians to accept restraint and hidden taxes when his ministers and their deputy ministers spent \$2.5 million last year on travel alone? Do you want to talk about travel, \$2.5 million on travel alone?

Now, can the Premier tell us how many jobs these ministers brought back from Scandinavian countries, from Asia, from Germany, from the United States, from China? Two and a half million dollars! Now, how many jobs were created for Newfoundlanders, particularly young Newfoundlanders, on that expenditure?

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

I would like to know where the hon. member gets his premise to ask his questions.

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

Order, please!

PREMIER PECKFORD:

Just one second. Mr. Speaker, they are going crazy over there. I am talking about that I would

like to know the way the hon. member phrased the background to his question in talking about restraint. Where is there restraint when we have increased the Education budget by \$58 million this year, when we have increased the Health budget by \$34 million? Mr. Speaker, do you know? I am talking about restraint. This is restraint! An 8 per cent increase to the Department of Health.

Mr. Speaker, do you know that this year the increase in the Health budget over last year is more than the total Health budget was in 1967 - 1968? Just the increase last year to this year is more than the total Department of Health budget of 1967-68.

SOME HON. MEMBERS:  
Hear, hear!

PREMIER PECKFORD:  
So the premise, Mr. Speaker -

MR. FLIGHT:  
What about travel?

MR. SPEAKER:  
Order, please!

PREMIER PECKFORD:  
Mr. Speaker, I know I am grating them the wrong way. I listen to the question, and I say nothing. I try to answer the question and because I am giving some facts and figures it is grating them. I would like to have silence, Mr. Speaker.

So the premise on which the hon. member's question is based is false. Because we have gone from a \$45 million deficit to \$172 million deficit, how does he claim that we are into a period of restraint?

MR. FLIGHT:  
What about travel of \$2.5 million.

MR. BARRY:  
Mr. Speaker.

MR. SPEAKER:  
The hon. the member for Mount Scio - Bell Island.

MR. BARRY:  
Mr. Speaker, let us start with another premise. Will the Premier agree -

MR. BAIRD:  
That is a fellow with some travelling to do in the next two months.

MR. BARRY:  
That is all arranged.

MR. SPEAKER:  
Order, please!

MR. BARRY:  
Will the Premier agree that a more correct premise is, as he has stated, that there is no restraint in the present administration? And will the Premier agree that because there is no restraint is the reason why we have had that deficit increased from \$40 million last year to \$172.9 million this year?

SOME HON. MEMBERS:  
Hear, hear!

MR. SPEAKER:  
The hon. the Premier.

PREMIER PECKFORD:  
Mr. Speaker, what we have tried to do is to provide more day care for the people of Newfoundland and Labrador. Mr. Speaker, what we have tried to do is increase social assistance rates as we have done over the last few years. Mr. Speaker, we have tried to increase

the amount of health care that is available to our people. We started with a clinic in Labrador, we started with a new hospital in Port aux Basques. Does somebody want us to say that the new hospital was not necessary in Port aux Basques? Does somebody want to tell us that the redevelopment of the Central Newfoundland Hospital is not necessary? Does somebody want to tell us that on the Eastern side of the Island there was not a new hospital necessary in Clarenville? And even with all of those and in Burin, on the Burin Peninsula, that you did not need a redevelopment of the hospital? Will some of the members opposite tell me that we do not need to do what we are doing? Twenty-nine million dollars to create 12,000 jobs for people who were unemployed, able-bodied relief last year where we took them off the welfare rolls. When the hon. member can show me where in all those spheres we could — have suddenly not done those kinds of things, then I might try to entertain his question.

MR. BARRY:

A supplementary, Mr. Speaker.

MR. SPEAKER:

The hon. the member for Mount Scio - Bell Island.

MR. BARRY:

Will the Premier admit, will the Premier agree, Mr. Speaker, that had it not been for that \$48.7 million which came from the sale of FPI, that in effect the deficit on capital account would have been \$252 million this year instead of \$203 million?

MR. SPEAKER:

Order, please!

MR. BARRY:

If I could, I am almost finished.

The member for Menihek showed that he confuses current account and capital account, has not done his homework on this point, and also did not check the budget to see that it is taken into the budget this year and not last year, but would the Premier agree that that \$48.7 million would have been another \$48.7 million that the Province would have been in the hole on capital account had that money not been received from FPI this year?

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

Yes, Mr. Speaker, the hon. the member for Mount Scio - Bell Island is exactly right and the member for Menihek is exactly wrong, and that just goes to show how good we were in doing our restructuring agreement and putting a sound new corporation in place with which we can see some return on our investment. Hallelujah!

SOME HON. MEMBERS:

Hear, hear!

MR. BARRY:

A final supplementary, Mr. Speaker.

MR. SPEAKER:

A final supplementary.

MR. BARRY:

The Premier mentioned some of the areas in which he is spending money, for example, on health care. Now, I ask the Premier if he has checked the report of the Newfoundland Medical Care

Commission for this year and compared it with last year? And would he explain, if he is doing such great things for health, why is it that the Province has lost thirty-two doctors, from communities around this Province outside of St. John's, and fourteen doctors from inside St. John's if it is not the abysmal policies of his administration with respect to health care?

MR. SPEAKER:

The hon the Premier.

PREMIER PECKFORD:

Mr. Speaker, the hon. member has turned it around. He started off his question with saying there is no restraint. The hon. member for Mount Scio - Bell Island tried to turn it around from the hon. member's earlier question and said there is no restraint in the government, and now, even though there is no restraint, according to him, in government we cannot keep the doctors in the Province. Now, which way does the hon. member for Mount Scio - Bell Island want it? Does he want that there is no restraint, and because there is no restraint at all we cannot keep any doctors, or there is some restraint and we cannot keep any doctors? The hon. member for Mount Scio - Bell Island now wants it both ways. We lose doctors and we gain doctors. We have done a new schedule for specialists, and I think we have quite a few new specialists in the Province this year. We have increased the fee schedules for them to try to attract more specialists, and we will do the best we can on that as we have on other things. But to try and say that we are not doing anything for health care when I can tell the member for Mount Scio - Bell Island that the \$34 million

increase this year in health care was the total budget of the Department of Health in 1966 and 1967, we must be doing something right.

MR. CALLAN:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Bellevue.

MR. CALLAN:

Mr. Speaker, I have a question for the Minister of Transportation (Mr. Dawe). How can the Minister of Transportation, Mr. Speaker, justify spending \$3 million this year on an \$8.8 million building in Mount Pearl for Motor Registration when we have such atrocious conditions on our highways throughout the Province, when Municipal Affairs is way down, and, of course, the widows in this Province and the need for day care, how can the Minister of Transportation justify spending \$3 million in this year's budget on that foolish building?

MR. SPEAKER:

The hon. the Minister of Transportation.

MR. DAWE:

Mr. Speaker, the NDP are not the only ones who do not do their homework. As has been indicated on a number of occasions, the argument was used in relationship to what is now the West Block of Confederation Building, as it relates to the overall cost savings to government by building its own buildings rather than renting in the long term, are very evident and have been evident from studies that have been done by this administration.

The case with regard to the Motor Registration Building which will

be built in Mount Pearl, those assessments were done and all the indications, Mr. Speaker, by anybody's analysis indicates that by going that way we are saving money not only in the long, long run, but certainly in the very short term as well.

MR. CALLAN:

A supplementary, Mr. Speaker.

MR. SPEAKER:

A supplementary, the hon. the member for Bellevue.

MR. EFFORD:

You are losing \$3 million this year by going that way.

MR. FLIGHT:

Three million dollars in new votes.

MR. SPEAKER:

Order, please!

MR. CALLAN:

Mr. Speaker, let me ask the Minister of Transportation, will this new building that the minister is building in Mount Pearl, this political building that the minister is putting in Mount Pearl, will this new building, Mr. Speaker, mean there will be a reduction in the cost of a driver's licence, the fees for motor registration, and will it result in a more prompt and efficient service from the Motor Registration Division? Would the minister answer that?

MR. SPEAKER:

The hon. the Minister of Transportation.

MR. DAWE:

Mr. Speaker, there is every indication that it will be a lot more efficient when that particular facility gets into operation. The obvious

overcrowding and the circumstances that are in the presently rented building, not only as it relates to the ongoing day to day public access to that building but more particularly as it relates to the ongoing process of driver testing and evaluation, Mr. Speaker, the facility that is being built is programme specific, it is designed as a Motor Registration facility. We will have in place the kinds of things that will make that particular facility very efficient, much more efficient, and it will be a model, as a number of other things are that we have done with regard to Motor Registration with our new computerized on-line system, the efficient way in which we have gone away from the annual renewal system and into monthly renewal systems. It has streamlined the system. This new building will add to that streamlining and also will add to the efficiency because it will be a purpose built facility.

Mr. Speaker, what it will mean in the long run, because it is a cost saving measure in the long terms, obviously the impact upon driver licences and fees and taxes will be minimized because we are going into this kind of a cost efficient method of providing facilities for government buildings.

MR. W. CARTER:

A supplementary, Mr. Speaker.

MR. SPEAKER:

A supplementary, the hon. the member for Twillingate.

MR. W. CARTER:

A supplementary to the Minister of Health, (Dr. Twomey), Mr. Speaker. I wonder, Mr. Speaker, will the Minister of Health explain to the senior citizens and



the chronically ill in Twillingate district how it is that their needs are now secondary to the building of a building for Motor Registration in Mount Pearl at an estimated cost of \$8.8 million?

MR. SPEAKER:

The hon. the Minister of Health.

DR. TWOMEY:

Mr. Speaker, I do not think it is my duty to act as an arbitrator between one department and the other.

SOME HON. MEMBERS:

Hear, hear!

MR. FENWICK:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Menihek.

MR. FENWICK:

My question, Mr. Speaker, is to the Minister of Justice (Ms Verge). It has to do with the fact that we are introducing a point system for drivers in which individuals can lose their licenses if they get a number of tickets and with the credibility of the police force in enforcing it.

We have been told that the Royal Newfoundland Constabulary, as part of their evaluation on an ongoing basis, are evaluated partially by the number of tickets and the number of violations that they have prosecuted. My question to the Minister of Justice is this: Is it correct that the evaluation process for Royal Newfoundland Constabulary officers includes assessing the number of tickets that they have sent out for moving violations and other crimes in which they have participated in stopping?

MR. SPEAKER:

The hon. the Minister of Justice.

MS VERGE:

Mr. Speaker, it stands to reason that members of the Royal Newfoundland Constabulary are evaluated on the basis of their job performance, on their length of service and the variety and type of functions they are involved in in the course of their duties.

MR. SPEAKER:

Order, please!

The time for Oral Questions has elapsed.

Presenting Reports by  
Standing and Special Committees

MR. YOUNG:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Public Works.

MR. YOUNG:

I would like to table the annual report of the Pippy Park Commission.

MR. BLANCHARD:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Labour.

MR. BLANCHARD:

Mr. Speaker, I would like to table the annual report of the Workers' Compensation Commission for 1986.

Petitions

MR. GILBERT:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Burgeo - Bay d'Espoir.

MR. GILBERT:

Thank you, Mr. Speaker. I have a petition here from 178 residents of the Community of Grey River. It reads:

"We, the undersigned residents of Grey River, demand the present ferry service between Grey River, Ramea, and Burgeo remain as is. The ferry has served as a lifesaver for us over the years, and we see no reason why we should lose a day of service. If anything, we feel the service should be increased. For example, arrangements could be made to have fish shipped out of here twice weekly. This would cut down on the expense and improve the quality of the fish.

"We understand the ferry is expensive to operate to Grey River due to its low population, but when compared to the Trans-Canada Highway running through communities the same size as ours, service should be improved.

"With regard to CN service, we are given an adequate service that is prepared by them rather than what the cost requires. It is our understanding that the provincial government was to improve on local ferry service rather than degrade it.

"Surely government understands the price people have paid for resettlement and must support improved isolated communities that exist, through no fault of their own.

"Therefore, we call on the powers

that be to practice what they preach and improve rather than downgrade outport life."

MR. SPEAKER:

Order, please!

I think we had a ruling some days ago on the presentation of petitions. I was trying to listen carefully to what the hon. member was saying. I think on two points this petition must be ruled out.

Number one, I think the hon. member started saying his statement was a demand. A petition is not a demand. Secondly, there is no petition to this hon. House. I would like to have a look at that petition. It does not seem to be in order.

MR. GILBERT:

A point of order, Mr. Speaker.

MR. SPEAKER:

A point of order, the hon. the member for Burgeo - Bay d'Espoir.

MR. GILBERT:

I would like to submit to you, Sir, that it is a legitimate petition. Now, maybe the people in Grey River, when they were writing it up, did not have the expertise to properly phrase it so that it would be satisfactory. In actual fact, this is a petition that is valid and there are 178 people there that have signed the petition.

MR. SPEAKER:

Order, please!

I must rule that petition out of order. What I would suggest to hon. members is that they refer to the Hansard of some days ago when there was a fairly detailed account of just how a petition should be presented.

MR. BARRY:

We may as well cut out petitions altogether.

MR. SIMMONS:

Mr. Speaker.

MR. SPEAKER:

Is this to the point of order?

MR. SIMMONS:

Yes, Mr. Speaker.

MR. SPEAKER:

The hon. the Leader of the Opposition.

MR. SIMMONS:

I was hoping, Mr. Speaker, that before you made a final determination on the petition you would hear argument. I understand what Mr. Speaker is attempting to do. He came down very clearly on the side of petitions that are properly addressed. I respect that and I have no difficulty with that.

I say to you, Sir, that Grey River is a fairly long way a way. In order for the member to have it in his hand, as of the third of April, it means the petition was generated long before Mr. Speaker made his particular ruling. I submit to you while the wording is not precisely what you would determine it ought to be, and that I respect, I think the spirit is there in that they want to have a grievance addressed.

I would hope that you would see it in that light and give us as members of the House an opportunity to send out to our constituents the signal that as of the time of your ruling or as of now, we are going to be very demanding about the wording. We will take it as our responsibility to get the proper wording to

them.

I submit to you that people in Grey River did not set out to flaunt the rules of the House, they set out to have a grievance addressed. I would hope that even with the leave of the House it might be addressed today or Mr. Speaker might want to take it under advisement. My point is that the spirit of this matter ought to be taken into account in terms of the time frames that are involved.

SOME HON. MEMBERS:

Oh, oh!

MR. BARRY:

If I could just briefly to this point of order.

MR. SPEAKER:

Order, please! Order, please!

I have heard enough on this matter. The hon. member can shake his head as much he wants.

In response to what the hon. the Leader of the Opposition said, I can quite understand the point he has made that there was no time for the members in this particular area to have gotten this particular recommendation or whatever you would like to call it. In view of that, if it is the wish of the House, by leave, I am quite prepared to accept this petition, if that is the wish of all members.

MR. OTTENHEIMER:

Mr. Speaker.

MR. SPEAKER:

The hon. the Government House Leader.

MR. OTTENHEIMER:

Mr. Speaker, yes, on behalf of the

government we will certainly give leave and just before sitting down, speak briefly on the matter. The whole question of petitions has been in this session and other sessions too, frequently a cause of, perhaps, unnecessary conflict. I think there are two very arguable cases, (1) the rules do have to be observed; and (2) people do have the right to petition the House. In so doing, they have the obligation to do it in the way the rules require.

MR. BARRY:

It is more the spirit if not the rules.

MR. OTTENHEIMER:

I agree with the hon. gentleman. We are giving leave. I am not debating that but sometimes there are situations where, it is not right and wrong, there can be, in a sense, two rights. I do not think anybody will dispute that things have to be done according to the rules. I do not think that anybody can dispute that citizens have the right to petition the House, and obviously there is a modification to that, they are suppose to do it in the form the House requires.

I think our rules are very straight forward. The first suggestion of mine was going to be that the rules might need to be looked at, but I am not sure that they do. I think that the Standing Orders on petitions, 90 up to 97, are pretty clear.

Perhaps a possibility, and I just put this out, would be for the Officers of the Table, under the guidance of the Speaker, to do up - it would not have to be very lengthy - a statement of policy which all sides of the House would agree with and then every member

would be responsible for seeing that any petition he or she presented corresponded to that. Nobody, constituents or citizens, would then be embarrassed. If anybody were to be embarrassed, it would be, in a sense, the member and that is his job or her job, they are getting paid for it, but it would be the responsibility then of any member to make sure that any petition presented was in the appropriate form. If they got a petition which was not in the appropriate form, it is usually just the case of getting a first page, 'We, the undersigned' - because that is what has to be there - 'We, the undersigned, petition the House of Assembly to consider such and such' and three names on the first page.

So it is, to a large extent, a thing which can be done without any great problem but we certainly give leave. I would suggest that it might be a matter which a quite brief document, which would be in line with the policy of the House. I think all sides would have to agree with the policy paper and then every member would be bound by it. Perhaps every member then should undertake not to present a petition which is not in that form. As I say, it is usually only a matter of day, if there is a problem of form, in getting an appropriate first page. All those signatures do not have to be gotten all over again, but I just put that out. Certainly we give leave for this petition now to be presented.

MR. SPEAKER:

The hon. the member for Burgeo - Bay d'Espoir.

SOME HON. MEMBERS:

Hear, hear!

MR. GILBERT:

Thank you, Mr. Speaker.

I thank the Government House Leader (Mr. Ottenheimer) for giving leave in this particular case but the people of Grey River were really not too concerned about the way that this was presented or the format on the front of it.

The prayer of this petition says, here they are, once again, rural Newfoundland is getting kicked in the face by this government. You have a situation where the only way the people of Grey River have to be connected to the rest of Newfoundland is by boat, either the CN ferry which goes there, or the Department of Transportation ferry which was put in some years ago. As they pointed out in the prayer of their petition, when the Department of Transportation went in there, it meant that they were going to get better service not worse. Here we are in the twentieth century and we have a situation that a community is going to be forced to resettle, with all the inherent problems that are going to be involved in that, if the Department of Transportation is going to continue with the action that they have initiated.

The other thing I might point out in regard to the urgency of this petition was that the only thing that happened was one resident of Grey River received a letter from the Minister of Transportation telling them, because of the fact that his department felt that it was not an economic viability that this service be provided on two days a week, it was going to be cancelled. As a matter of fact, they were even told that the ferry was going to make its last run

tomorrow. I found out by talking to someone today that the ferry service to Grey River has been suspended as of last Tuesday. So the ferry is not going into Grey River tomorrow. It was cut off arbitrarily without any room for discussion or negotiation with the people of Grey River.

I do not know if the minister and the Department of Transportation are aware of what they can do with it. It is very fine to sit here in St. John's, or to send a Transportation official down from Deer Lake and, with the scratch of a pen, say, "We are going to cut out the ferry service to Grey River on Tuesday. There are not enough people using it." What this actually means, when they make that slash with a pen across the schedule, it means that you are cutting the people of Grey River off from contact with the rest of Newfoundland, unless there is a lot more expense than at present.

What happened on Tuesday was that people who wanted to go out to see the doctor, the dentist, the eye specialist, this sort of thing, they could go out on a Tuesday, go to Ramea, if they got their work finished up in the afternoon, fine, or if they had to go to Burgeo to shop or whatever the case might be, it meant most of them made friends. Those communities on the South Coast are tight knit communities and most of them had friends where they could stay overnight without any great expense and come back on the ferry on Thursday.

Now what you have done, by cutting out this ferry trip on Tuesday, it means that the people of Grey River get an hour and a half a week to go to Burgeo. In other

words, they can go from Grey River to Ramea, back to Burgeo and then they are given an hour and a half before they have to get back on board that ferry again and go back to Ramea, back to Grey River that night, arriving at seven or eight o'clock. This to me does not seem to be making much sense.

I just heard the Premier talk about the people of Newfoundland must be the real world. I do not really think that that is the real world that the people of Grey River should expect at this point in time.

The people of Grey River have a viable community. It has a reason for existence. There is a fishing community there. They have suggested in their letters to the minister that maybe they could improve the viability of this ferry by changing the ferry so that it could handle fish and take the fish to the plant in Ramea a couple of times a week, rather than leave it on the wharf to be shipped the way it is now. That is one of the suggestions that they make. They are not being unreasonable. All they are asking is that they be given certain rights as if they were living in a place in Newfoundland where there was a highway that goes through.

The Department of Transportation is cutting back their ferry service on the South Coast where these communities, particularly Grey River, Francois, Ramea and McCallum are serviced by CN Marine and then, of course, Grey River, Francois and Burgeo by the Department of Transportation. We have heard here today that maybe it is not a restraint budget, maybe it is a budget that we are going to spend more, maybe it is just a freeze budget, but whatever

they are doing, the Department of Transportation are taking the opportunity to cut back the service that they have provided on the South Coast of Newfoundland for the last eighteen years.

I would like to ask the minister if he has looked at the viability of the ferry that runs between St. Patrick's and Long Island in Green Bay, in the Premier's district. Is that a viable operation? I have not heard of any other ferry service being cut back but this one to Grey River. As far as I am concerned, if there is going to be a cutback in the Department of Transportation, I do not think it should be arbitrarily placed on the backs of the people of Grey River without those people being given any chance whatsoever to provide the minister with reasons why it should be there.

The minister should not have to be provided with the reasons. It is there as a basic fact of life. If this community is to exist, there must be a ferry service twice a week the same as it was before. If the minister is going to take it out, he should go down and do a very indepth study as to what is going to be a viable operation. The people of Grey River say it should not be cut out. I agree with them.

I tell the minister that if there is going to be any cutbacks in the Department of Transportation, maybe the minister should consider it in his office where the budget has increased 91 per cent over the last three years. According to this budget, that would possibly be the right place to do some cuts that are not at the expense of the people of Grey River.

SOME HON. MEMBERS:

Hear, hear!

MR. SIMMONS:

Mr. Speaker.

MR. SPEAKER:

The hon. the Leader of the Opposition.

MR. SIMMONS:

Mr. Speaker, I am pleased to be able to rise and support this petition. The people of Grey River had the good fortune to be my constituents or, more properly, I had the good fortune to be their representative both federally and provincially over the number of years spanning 1973 until 1984.

I learned to respect those people for their approach to life and for their hard-working nature. I used to criticize them, in their presence at times, for not making more demands on government services for items that they were fully entitled to receive.

The people of Grey River have to be among the most neglected people, insofar as government services are concerned, in this Province. They pay into the public treasury both federally and provincially a lot more in actual dollars than they get out. I am not suggesting that that alone is the criterion for assigning public revenues but it certainly ought to be taken into account when we are distributing the largesse of government.

Mr. Speaker, insofar as this issue is concerned, the people of Grey River just do not deserve what is being done to them in terms of the very few demands they place on government and in terms of the need that exists.

Now, where is Grey River, Mr.

Speaker, and how many ways can they get into that place? They can do it basically one way only and that is by going to Ramea and/or Burgeo on that ferry. There are other alternatives, to get aboard a coastal boat and travel down to Hermitage which does not have the same community of interest with Grey River which Grey River has with Burgeo or Ramea. That is where their hospital services are; that is where their high school youngsters go to school in Ramea and Burgeo; that is where they do a fair amount of their shopping; that is where many of them work on the trawlers out of Ramea and work in the fish plant out of Ramea as well, so the community of interest is in that area.

Mr. Speaker, the proposal is that the ferry services be cut back from two days a week to one and that is, first of all, extremely unfair. I will come back to that, but it is also being done without any consultation. I remember, and I am sure the minister will remember, that some years ago when the effort was ongoing to take over ferry services that had been formerly the responsibility of the federal government, one of the arguments made by the provincial government was that the provincial government was a little closer to home and it could engage in local dialogue with the people served before any arbitrary decisions were made, especially affecting cutbacks in ferry services. Now we have a case where there is already a fait accompli without any consultation with the people concerned whatsoever.

Secondly, Mr. Speaker, and finally, on this issue the matter of fairness and equity. What can be fair in this, Mr. Speaker, when

you compare this situation, where they are cutting back from two days a week to one, to the situation that goes on down in Green Bay, which happens to be the district of the Premier, where the people from Long Island, Lush's Bight and the three Beaumonts, South, Centre and North, when they several times a day, Mr. Speaker, not twice a week or something, several times a day can get on a boat and make a ferry ride into St. Patrick's in Halls' Bay and get onto the highway system of the Province? How, can you say then, Mr. Speaker, that this is fair?

I am not suggesting that the frequency insofar as Grey River is concerned ought to be identical to the one in Green bay, but there is no fairness, Mr. Speaker. Given that both services are subsidized by the public treasury, there is no fairness where, in one case, a group of people can have a ferry service several times a day and in another case, they are being told that two days a week is too much. Mr. Speaker, this has to stop at some point.

Here we have a ferry service being further eroded at a time when people up in Bonne Bay, for example, have just gone through a cutback wiping out their ferry service in the past year or so. Those farmers, for example, who depended on that ferry service, what are they being asked to do by the government this year? The gentleman from Humber Valley (Mr. Woodford) knows. He knows too well, because he, himself, is a farmer and a very good one. He knows that his colleagues out there, including people up in Bonne Bay, for example, are being asked to put up another two dollars a bag on lime to help give the government some more money so

they can pay for that core of press secretaries.

Why, Mr. Speaker, in a Province as small as this, do you need eight people, not to do research, as the Premier implied, but just to put out the press statements? Eight people, Mr. Speaker, in addition to a Newfoundland Information Service, and in addition, Mr. Speaker, to the gentleman from St. John's North (Mr. J. Carter) who is a walking press service in himself? Why would any government, Mr. Speaker, need anything more than the gentleman from St. John's North to spread the good word of this government? In the supermarkets of this country, as he puts his savoury upon the shelves, he can speak to the people there and tell them the good things this government is doing.

Mr. Speaker, I support the prayer of the petition. Thank you, Sir.

MR. DAWE:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Transportation.

MR. DAWE:

Mr. Speaker, I welcome the fact that the petition was allowed to be presented. As a matter of fact, Mr. Speaker, that petition has been in my possession now since late last week, or the first thing this morning, and it was dealt with on a priority basis as soon as I received it.

I enquired about the status of that particular service and what the reasons behind the rescheduling were and so on. Members are right. The numbers using the service are not great.



But, then again, the number of residents in Grey River is not great. There is a question of equity and fairness involved in this process.

I would just like to inform the House that the schedule will not change, as it relates to the present time, up until September 15. I have set that as a target date to try and reassess the situation.

Again, on numbers, once the Labour Day weekend is completed, the people travelling certainly do not indicate that there is an ongoing requirement, perhaps, through the Winter months, as it relates to that service, primarily because, Mr. Speaker, there are two ferry services already there, one, of course, operated by the provincial government and the other operated by Marine Atlantic. We will be looking at that.

I have had meetings in the past with the people from Grey River and I welcome their initiative in bringing forward their concerns, in the form of a petition to the department, and latterly, in the form of a petition to this Legislature, presented by our friend from Burgeo - Bay d'Espoir.

The request, as outlined in the petition, has been addressed, Mr. Speaker, and I think it speaks well that this sort of format does get results when it gets to the right ears. I think the people of Grey River are deserving of that service, and, as we all know, deserving of an improved transportation service, not only in and around the community, but as it relates to their connection with the rest of the Province.

So the situation, as proposed, will not go forward. In fact, the present circumstances of two trips a week will remain in place pending a review process, but certainly remain in place until at least September 15, and hopefully the total transportation picture, with regard to Grey River and other communities on the coast, can be reassessed at that time, along with a re-evaluation of the whole marine coastal service and the interconnection between the federal service and the provincial service.

Obviously, Mr. Speaker, I stand in support of the petition because I have already taken action to correct the items outlined in the petition.

#### Orders of the Day

MR. OTTENHEIMER:

Committee of Supply, Order 2.

MR. SPEAKER:

Order 2, Committee of Supply.

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

#### Committee of the Whole on Supply

MR. CHAIRMAN (Greening):

Order, please!

MR. OTTENHEIMER:

The heading of expenditure, Consolidated Fund Services.

MR. CHAIRMAN:

The hon. the President of the Council.

MR. OTTENHEIMER:

Mr. Chairman, I am doing this on behalf of the Minister of Finance (Dr. Collins), so I may not do it with the clarity and thoroughness and precision of thought and expression that hon. members have grown to associate with the dauntless Minister of Finance, but I shall endeavour to do it in any case.

If we look at that Consolidated Fund Services, page 5 in the Estimates 1987, page 5 - I am just trying to clarify it for all concerned - there are five sorts of headings, Interest - Statutory, you turn over to page 6 Rental Purchase - Statutory, then over on page 7 Loan Guarantees - Statutory, further down on page 7 Debt Management Expenses - Statutory, and then on page 8 Pensions and Gratuities - Statutory. There are really five subitems within that, and what I would propose to do, instead of doing them all and then sitting down and waiting for any questions, or debate, or this or that, is perhaps do them one at a time, because they are fairly complex matters of a financial nature. There are only five headings and I will do them one at a time. I will not take a great deal of time in doing it, but I think that would be better, and when we finish with one we can go on to the other.

The first ones are with respect to Interest. They are the headings beginning on page 5 and they go down a little bit on page 6. The first one there is called Temporary Borrowings and this represents the interest cost to the Province related to demand loans which comes into play to cover cash shortfalls; sometimes the Province would have a

shortfall of cash. The practice of using this temporary borrowing in the form of bank overdrafts - that is really what it is and why the amount, in general, is not huge, it is \$150,000 estimated, and revised last year \$160,000 - to cover cash shortfalls is part of the Department of Finance's overall management procedure and is used on the occasion that the Province may deliberately revert to an overdraft in its net cash position in an effort to invest at higher rates than those charged at the overdraft.

So, it may well be that at times there will be a decision made, 'Let us overdraft, because the interest on the overdraft will be less than using an alternate financing.' It is not a big item, but that is what it entails.

All of these procedures, including the first one, are covered by the Financial Administration Act. The next item, 1.1.02, Treasury Bills: This, too, is part of the Department of Finance's overall management programme. The Province currently issues \$10 million worth of 91 day Treasury Bills through an auction which is held every Wednesday. This process is somewhat different than the other, but it provides short-term funds at very competitive rates. A revised cost for 1986-87 reflects lower than expected interest rates throughout the year. That is why one will see 1986-87 down from \$12.4 million, budgeted, to \$11.7 million. That is because of falling interests. It is anticipated that \$12.5 million will be the amount this year. That is the ninety-one day Treasury Bills, which are used for short-term financing. One benefit of this is that the rates here are

very favourable and the Province would get either the same rate as the federal government, or, if it differs, it would differ only by one or two one hundredth per cent, one hundredth of a point. So, for all practical purposes, negligible. That covers that area.

The next one, 1.1.03, Debentures: There, of course, we have a very large amount, \$360 million. This is covered under the Loan Act. This is the debt expense which flows from or is related to servicing the direct public debt of the Province. It represents the interest payments for this year to the Province's bondholders and relates to both the Canadian dollar borrowings and any foreign borrowings as well. It reflects anticipated borrowings for 1987-88 and is forecast to increase from \$334.3 million, the revised 1986-87 estimate, to \$360 million the 1987-88 estimate. So, this is essentially covered by the Loan Act and is interest on the long-term debt of the Province.

The next one, 1.1.04, Canada Pension Plan, \$73.4 million: This is servicing of the money which this Province borrows from the Canada Pension Investment Fund. That is what is charged to this head. Since 1966, there has been a system whereby provinces borrow from the Canada Pension Plan. This is particularly beneficial, I think, because the interest rates for all the Provinces are the same and there is a certain amount - this is not open-ended - which the Province is entitled to borrow under that and that is related, obviously, to the contributions from the Province to the Canada Pension Plan and is worked out on some per capita formula. But that is how the amount is arrived at and it is quite beneficial

borrowing: there is one rate for all provinces and each province has an entitlement under a specific formula.

The next one 1.1.05, Government of Canada, Debt Expenses: Now this subhead, \$6.6 million, really represents the servicing of debt incurred under special federal/provincial projects funded, in some cases, years ago but still being paid off, some of them the old Winter Works programmes, some of them the old DREE programmes. It is not anticipated that new loans in this category will be added during the forecast year. But that is what that is, a servicing of the debt incurred under certain federal/provincial projects which have yet to be paid off.

The next one, 1.1.06, Temporary Investments: This is really a revenue, but I suppose I may as well explain it for hon. members' benefit. This reflects estimated interest income from the Province's programme of investing available cash in the money markets by way of short-term investments and is another cash management tool of the Province.

So that is essentially what that is. As I say, it is a revenue, so really it is not necessary to say a great deal on that.

The next one, 1.1.07, Recoveries on Loans and Advances: This also is revenue. Everything in parenthesis is revenue. This account represents interest collections on the Province's loans to various groups. In some cases commercial entities, municipal bodies, school boards, and Crown corporations. So that is revenue coming from that source.

On the next page, 1.1.08, Crown Building Corporations Sinking Funds: That also is a revenue. If I can find my note on it, I will tell you what it is about. This account represents a refund of the earnings on the sinking fund assets of several Crown building corporations. It will be recalled, and again these started some years ago, that when certain things were built there was a building corporation used as a means of financing them, for example, the Bell Island Hospital Building Corporation, and also a building corporation with respect to the College of Trades and Technology. These are the revenues which accrue there.

Essentially, those are the expenditures under that first general heading of Interest - Statutory. I will stop there before going on to the next general heading.

MR. LUSH:

Mr. Chairman.

MR. CHAIRMAN:

The hon. the member for Bonavista North.

MR. LUSH:

Thank you, Mr. Chairman. Before getting down to the specifics, I want to thank the hon. the Government House Leader for his analysis of the first heading. I want to say, Mr. Chairman, first of all, before getting into the substance of this heading, that we on this side deplore the procedure that is now being followed in the House, namely, that we should be debating the budget. We should now be debating the principle of the bill rather than getting into the specifics. In just about every jurisdiction that I know of, immediately following the budget

there is a debate on the budget so that we can debate the principle. But this idea of bringing in the Consolidated Revenue Fund shows that the government is just trying to get this over with, trying to push it out of the way. It sort of fragmentizes the attack, if you will, the debate on the entire matter. Because Opposition members would like to be able to debate the principle of the budget first, rather than getting into the specifics of Consolidated Fund Services or any other department.

I certainly hope that the Government House Leader will take this under advisement and that we will get back to the budget. When we finish the debate on the budget sufficiently, then we can come back to these specific departments. That is the procedure that is used in most every other jurisdiction, that immediately after the budget you then debate the budget, the principle of the budget, and then get into the particular departments, and this is the way we would like to see it done. We believe it is a disregard and a disrespect for the procedure of the House to do it in any other form.

Now, Mr. Chairman, with respect to this particular head, Consolidated Fund Services, there are a number of questions to be asked. In dealing with this particular head we are talking about servicing of the public debt. Now, that we know the financial situation of the Province in as far as it is documented by the budget and the estimates, we now have to ask which statement was correct out of the two statements made by the Premier just recently, and I am sure everybody in the House knows to which statements I refer.

Back some three or four weeks ago the Premier indicated that unless we got some tremendous assistance, some substantial aid from Ottawa this Province would be in a financial position similar to that of the 1930s, similar to that when we lost of Representative Government. Then very shortly after that, maybe the next day, the Premier backtracked, made a retraction and said that that was not exactly the true picture, that he had merely used hyperboles and exaggeration to try and get the attention of Ottawa. Now, that is what the Premier said.

Now we wonder, based on that statement, what credence, what credibility we can put on this budget. Is the situation that is being illustrated, is the situation that is being painted so terribly now being done for the sake of hyperbole and for the sake of exaggeration to get the attention of Ottawa? Is this why we have this terrible budget that we have today? Are the government levelling with this particular document today? Because it is hardly a budget, Mr. Chairman, it is more of a political statement. It is the most unusual budget that was ever presented in this House of Assembly.

In any event, let us take it at its face value and assume that whatever is in this budget is the accurate picture of the financial mess that this Province is in today. I suppose, Mr. Chairman, if there is one universal concern about the budget in this Province today, if there is one common concern going right throughout the Province of Newfoundland and Labrador it is the horrendous deficit, particularly the deficit on current account, \$172 million, quadrupled from last year's

deficit of approximately \$40 million.

Now the question has to be asked, how come? Why is it that we have such an explosion in this year's deficit, \$172 million, which quadrupled last year's deficit? That question, Mr. Chairman, must be addressed. As I have said before, if there is one universal concern, one common concern from one end of the Province to the other it is this travesty, this huge and outrageous deficit on current account.

Mr. Chairman, there is no question about it, this is a bad news budget. When we combine the current account deficit with the capital account deficit, we have something to the tune of \$376 million.

Mr. Chairman, the minister can try to disguise the language in any way he likes, he can try to make the language colourful, he can do what he likes to try and distort the picture, he can use all sorts of convoluted logic and gobbledygook, but the point of the matter is that this is the worst budget that has ever been presented in this House of Assembly, the most devastating budget ever presented in this House of Assembly.

We have a combined deficit in capital and current account of \$376 million; borrowing, Mr. Chairman, up to \$638.5 million compared to \$381.3 million last year, not quite but almost double the borrowing of last year. I quote again, the borrowing this year is \$638.5 million compared to \$381 million of a year ago. Mr. Chairman, that represents extravagance and waste almost unheard of in this Province. The

question that needs to be answered, Mr. Chairman, I hasten to say, is how come? What combination of circumstances caused the explosion in quadrupling the deficit of this year, and, again, in almost doubling the amount of monies that the Province has to borrow to take care of the day-to-day routine activities of the Province? The second question that needs to be asked is is this going to affect the credit rating of this Province? I remember reading an article last year by some financial experts - it was an article done for the whole of Canada, referring to the federal government and the provincial governments - and these financial experts were saying that if there was not some determined effort by governments to reduce the deficit by cutting expenditures - not by raising taxes but by cutting expenditures - right throughout Canada that the credit rating was going to go down, the credit rating was going to be lowered. Now, if these were the combination of circumstances last year, when the financial agencies and experts were concerned with reducing the deficit because the credit rating right across Canada, every province, was going to go down, how much truer is that today for Newfoundland when we have quadrupled the deficit?

Now Mr. Chairman, I do not want to be a prophet of gloom and doom, but it stands to reason if our deficit has quadrupled that the question must be asked is that going to affect the credit rating of this Province? And if that is not going to affect the credit rating of this Province, then what is? What will affect the credit rating of this Province? If at \$172 million our credit rating

remains the same, well, then, I do not think it matters.

And the other question that must be asked, and the observation that I make, is that from this huge deficit and from the combination of the deficit on current account and capital account amounting to \$376 million, and by the increased borrowing, almost twice that of last year, Mr. Chairman, to what extent does this government have control of the fiscal affairs of this Province? I would suggest, Mr. Chairman, that they have absolutely no control but that they are slaves to the bond markets throughout Canada and the United States.

Now, Mr. Chairman, if the huge deficit and the huge borrowings this Province has to go through this year is not affecting the credit rating, if this does not mean that this government are hostages to the bond market, then it would not appear to matter what happens with respect to fiscal management anywhere. If we can see the neglect, the squandering, and the mismanagement that has gone on in this Province without any affect on the credit rating, if the combination of circumstances in this budget is not causing the financial agencies, the money institutions that provide us with the dollars to sit up and look and caution this government as to where they are going, then Mr. Chairman, there is no hope for this Province.

MR. CHAIRMAN:  
Order, please!

The hon. the member's time is up.

MR. OTTENHEIMER:  
Mr. Chairman.

MR. CHAIRMAN:

The hon. the President of the Council.

MR. OTTENHEIMER:

Mr. Chairman, first, on the initial comments of the hon. gentleman from Bonavista North, I would point out that our procedures this year are no different than they were other years. Indeed, one of the Committees on the estimates met this morning and a schedule has been arranged. Also, I was speaking with the Opposition House Leader (Mr. Tulk) this morning, and I believe on Thursday I said that this week we will be starting out with the estimates in the House and then with the Budget Speech. So there is nothing unusual there. Indeed, I informed his House Leader this morning that we planned to do the Consolidated Fund Services this afternoon and get into the budget debate tomorrow, and there was no dismay, you know, the hon. the gentleman from Fogo (Mr. Tulk) did not cry or leap up and down, he seemed to be quite satisfied. But I inform the hon. gentleman that tomorrow we will be calling the budget debate. I know that the hon. gentleman from Bonavista North (Mr. Lush), the outstanding Finance critic of Her Majesty's loyal Opposition, will be, I would assume, waxing extremely eloquently tomorrow and all hon. members are looking forward to it. As a matter of fact, we can hardly wait for tomorrow to come. If only we could put the clock ahead! We shall have to hold off on that pleasure until tomorrow, but all good things come to those who wait.

Now, the hon. gentleman spoke about the debt. Of course, the debt close to quadrupled in the

amount of \$172 million deficit on current account. I am sure no Minister of Finance likes to have a deficit on current account and certainly does not like to have a huge increase in deficit on current account, as we have had this year. Really, I think one has to ask oneself some quite, quite basic questions.

I suppose the ideal is not to have any deficit on current account. Then the expenditures which would have to be cut. And where are they cut? The biggest spending departments are in the social areas. Would the hon. gentleman have us spend less on education? If so, I am sure when he attended the Committee meeting of the estimates on Education he would be saying, 'But there is not enough there on education. There is not enough. It has been cut by this and cut by that.' I have no doubt some of his colleagues will still be saying that there is not enough for education. How much more should there be in education? Another \$10 million? Then, we would have a \$182 million deficit and the hon. gentleman would be getting up and saying, 'How can we have a \$182 million deficit? This is financially irresponsible!'

Then some of his colleagues, when they are doing the estimates of the hon. Minister of Health, will be saying to the Minister of Health, 'There should be an extra \$10 million in there for hospitals and health services. There has to be! This is terrible!' Then, if we did that, we would have a \$192 million deficit on current account and the hon. gentleman would pick it up and say, 'It was terrible at \$172 million, it was worse at \$182 million, and now it is \$192 million. It is absolutely disgraceful!'

Then, I have no doubt, one of the hon. gentleman's colleagues would say, 'We need more on Social Services: We need more for senior citizens, we need more for day care services, we need more for alcohol and drug abuse foundations, we need more in all of these areas', and lo and behold! we would be up to a \$220 million deficit on current account. We would have taken the advice of the hon. gentleman's colleagues, saying you have to spend more on this and more on that and more on that and more on that, and then his position, of course, would be, 'This is disgraceful, it is \$220 million!'

So, really what we had to do was do everything possible to keep the deficit on current account under control but not sell our people short in terms of the future. We cannot accept the position whereby the young men and women of Newfoundland should have pejorative affects on their education.

The hon. gentleman from Bonavista North, previously an educator of illustrious fame throughout the Province and indeed beyond - not only in the Province but beyond - I recall quite some years ago I was invited by the hon. gentleman to speak at some conference - that was before the hon. gentleman was in public life - and I was supposed to be the guest speaker. They introduced one chap - he was from the mainland I believe - to get up and say a few words, he talked for about an hour and I never did get a chance to say anything. However, that being the case, we cannot allow our young men and young women to come out of schools and out of post-secondary institutions without being properly equipped for the

challenges of the future. So we have to spend large amounts there.

The same thing with respect to health. We cannot allow too much of a discrepancy, because Newfoundlanders as Newfoundland Canadians have the right to expect certain important levels in the delivery of health care and health services.

So, if you are going to balance the budget, or cut it from a \$172 million deficit to, let us say, a \$50 million deficit, that is \$122 million worth of services that would have to be cut. Now, how many tens of millions would be cut in education? How many tens of millions would be cut in health? How many tens of millions would be cut in social services, in all of these areas? because that is what it would come down to.

There are only two ways of altering that deficit. One is to spend less, which means cutting programmes, and the other is to take in more by increasing taxes. The hon. gentlemen are certainly not in favour of increasing taxes, nor is the Minister of Finance in favour of increasing taxes, nor is the member for Bellevue (Mr. Callan) in favour of increasing taxes.

MR. CALLAN:

There is a third option.

MR. OTTENHEIMER:

There is a third option, the hon. member for Bellevue says, and that might be to manufacture your own money. But you either spend less, and you spend less by cutting down on programmes, or you have more to spend, and the only way you have more to spend is through increasing revenues, and the basic way the Province increases



revenues is through taxation.

Certainly nobody likes to see such a high deficit on current account, so the Minister of Finance and the government made a conscious decision that we would take that risk. With all government, everything you do is a calculated risk. Certainly in the area of politics and government, there are calculated risks. Nobody has a crystal ball and knows exactly what is going to happen. So, through a calculated risk we have therefore assured that our basic services will not deteriorate but will continue to meet the expectations of the people of Newfoundland.

Also, a very important initiative has been taken by the government with respect to endeavouring, and this can only be done in co-operation with the federal government, to restructure the economic base of the Province, in terms of the fishery resources, in terms of all of our basic resources, in terms as well of these transfer payments like equalization. Obviously, while population is an important factor, that should not be the sole determining factor with respect to a province's entitlement on equalization. There has to be some question of need as well. The historic circumstances of Newfoundland, which came into Confederation in 1949, are also important considerations.

SOME HON. MEMBERS:

Hear, hear!

MR. OTTENHEIMER:

With respect to the positive matters in the Budget, and there are many, I will save it for my next intervention to make reference to those.

MR. LUSH:

Mr. Chairman.

MR. CHAIRMAN:

The hon. the member for Bonavista North.

MR. LUSH:

Thank you, Mr. Chairman.

While on the generalities of this head, let me make a few more comments to the minister. The hon. the House Leader (Mr. Ottenheimer) was talking about the ways we could cut down the deficit. I noticed that he quite deliberately avoided looking at a third way.

Now, the hon. member mentioned cutting expenditures, which is always the most acceptable way, the way most advocated by financial experts and economists. I agree with the minister, that is not always the easiest way. But I can assure the minister that there are ways of cutting expenditures in this Province today without cutting back on services. I can assure the minister that there are ways to do that and I will go to it in a moment.

The second way would be to raise taxes, which of course is the most undesirable way particularly in this Province where we have the highest rate of taxation in Canada. The strangest thing is, Mr. Chairman, that nobody on the other side, nobody from that hon. crowd apparently understands the principle of taxation that is held by every economist and every financial expert that is worth his salt. That is that the taxation to the level that we have in this Province today is resulting in diminishing returns, the point that I tried to make to the Premier today.

I will remind hon. members again of the Conference Board of Canada, which were great advisors to the Conservative Government of Canada when they were in the Opposition. Now that they are government, they do not seem to pay too much attention to them. But I can remember the present Finance Minister, when he was a critic on finance, using time and time again material from the Conference Board of Canada to condemn the fiscal policies of the federal Liberals. Today he dismisses the advice given by the Conference Board of Canada. I say again, just recently in a presentation to the federal government, they stated emphatically that the reason for the decline in the economic growth of Canada was the result of tax measures from the two recent federal budgets of 1985 and 1986. The culminate effect of the tax measures in both of these budgets was to cause a decline in the economic growth of Canada because these taxes meant that the consumer had less and less disposable money. I put it to the Premier, if that is true of Canada, how much more accurate, how much truer is that of Newfoundland? If that is the situation in Canada, how much more accurate is that of the economic scene in Newfoundland?

The hon. the Government House Leader (Mr. Ottenheimer) mentioned that we arrived at this deficit because the government did not want to cut services and they did not want to raise taxes.

What the hon. member did not address was the extravagance and the squander and the waste that has been employed by this government with respect to the fiscal management of this Province. He did not address that

issue. He did not talk about the money that was wasted with respect to political patronage. I forget which paper it was this weekend, I did not read it very carefully, but there was a paper this weekend that gave a total, I believe, of all of the monies that this government have wasted with respect to political patronage.

MR. WINDSOR:

It was not very objective either.

MR. LUSH:

Mr. Chairman, objective!

MR. CALLAN:

It was factual.

MR. LUSH:

I just gave a very quick perusal of it and I saw names mentioned which were not fictitious. I know the characters and they have definitely been given jobs because of their affiliation with the government party. They were not fictitious names. So, Mr. Chairman, in this fiscal year we have been presented with two cases.

MR. BAIRD:

Would you say that outside the House, that they were given jobs because of their political affiliation?

MR. LUSH:

Anything I say in this House, I say outside, Mr. Chairman, because I am always very diplomatic, very moderate and very modest in the kind of statements that I make.

So, Mr. Chairman, in this fiscal year we have seen an example of the cost of political patronage with respect to the appointment of the juvenile review board, the Young Offenders Review Board. We have not got the full cost of that board yet, Mr. Chairman. We know

some salaries. Then there was the case of early retirement of a couple of people in Workers' Compensation that we have not got the figures on. These are just two examples in this current year, or the year just past, I should say, the fiscal year just past. These are two examples. I do not know but I expect they are within this current year. I expect the cost of these will be incurred in this \$172 million deficit that we are talking about.

Mr. Chairman, so there has been tremendous waste and extravagance by this government with respect to political patronage and pork barrelling and not assigning the proper priorities to their spending. Let me demonstrate: I have given the hon. member two sets of specific cases if he wants to listen, Mr. Chairman, two specific, solid, practical cases.

With respect to spending money on a priority based on need, Mr. Chairman, we have seen it time and time again throughout this Province in the last eight and ten years where water and sewer systems were put into communities not based on need. When I suggest need, of course, everybody needs water and sewer, but there were communities with industry like a fish plant, for example, and goodness knows we need fish plants. We have put water and sewer in places where there were no fish plants and leaving the area with a fish plant unserved. Mr. Chairman, what economic sense does that make?

It is the same thing with the paving of roads. I remember it was a policy of this government at one time, because of the tremendous restraints that were on this Province, that we only

upgraded and paved roads to those areas where there were resources and where there was an industry. Now, Mr. Chairman, that is anything but true. If they had been abiding by that policy, I would suggest that they would not be in the financial mess they are in today.

I have been fortunate in that I had served two districts and in both districts the areas have had fish plants, for example. Goodness knows a fish plant needs a good road so that the fish can be taken to and from in good condition. It is very important that we ship a good fish product and when they have to go over gravel roads, this does not happen.

I have served in two districts with fish plants. Did they pave the roads, Mr. Chairman? Not likely, they did not pave the roads but they paved them in other areas where there was no industry. Now, again I know hon. members can say that every area needs a road paved. Sure it does, there is not a community in Newfoundland that does not want or deserve to have their roads paved. But when we are in a tight money situation, then it behooves the government, Mr. Chairman, to spend that money wisely and prudently making sure that we get the greatest value for our dollar and that has not been happening.

MR. CHAIRMAN (Mitchell):  
The hon. member's time is up.

MR. LUSH:  
Too bad, Mr. Chairman.

MR. SIMMS:  
Mr. Chairman.

MR. CHAIRMAN:  
The hon. the Minister of Forest

Resources and Lands.

MR. SIMMS:

Thank you, Mr. Chairman.

I just want to respond briefly in the absence of my colleague, the Government House Leader (Mr. Ottenheimer), to the latest comments from the member for Bonavista North (Mr. Lush).

First of all, I know the hon. the member for Bonavista North is fully qualified to be the Finance critic for the Opposition. He knows how difficult it is to raise revenue. He knows how difficult it is to increase funds or raise funds for a particular need. He knows full well how difficult that is because, in fact, Mr. Chairman, I heard the member for Bonavista North early this morning on radio indicating clearly that he understands how difficult it is to raise funds because here he was this morning kicking on his leadership campaign by kicking off his fund raising campaign. He was making it clear to the media when he was being interviewed that one of the biggest problems he had was the lack of funding and the lack of financial resources. So, Mr. Chairman, he is fully qualified to speak on that particular point, as the Finance critic for the Opposition because he fully experiences it himself at the present time. So he knows, perhaps better than any on the other side right now, how difficult it is for the government to increase its revenues and raise additional funding. It is not necessarily for the same reasons that we have the same difficulties.

He says, Mr. Chairman, that it is not easy to cut expenditures. He admits that. It is difficult to cut expenditures. He goes on to

say, "But we know where you can cut." He mentions some so-called political patronage appointments throughout the public service.

Well, Mr. Chairman, I hasten to remind the member for Bonavista North that those positions would have to be filled so the funds would not be saved. We found good, qualified people to fill the positions but the funds would not be saved. So, you would not cut there. Those positions were needed.

He tries to talk about government capital projects being done in a patronage way, therefore suggesting that we are not being wise in our spending. But, Mr. Chairman, I personally in this House remember announcing a bunch of forestry related capital projects the other day many of which, if not the majority as I recall, perhaps the majority -

MR. EFFORD:

There is neither one in my district.

MR. SIMMS:

Not one in the hon. member's district, but certainly a couple in my friend from Windsor-Buchans (Mr. Flight) district and Bonavista North himself. They were not done in a political way. They were done because we had the money and we were able to do more. If we had more money, we would be able to do more elsewhere. There is none in the hon. Mr. Chairman's area because it is very difficult to grow trees in Port aux Basques, I suspect.

So, on both of those points, Mr. Chairman, it really is a myth or a fallacy that the hon. members over there are trying to perpetuate as they get any opportunity to speak.

Mr. Chairman, in any event, the couple of so-called examples that he raised here this morning are certainly not going to do much to dent a \$172 million deficit. If he is going to show us some ways where we could make some substantial savings and make some substantial cuts which will not hurt the delivery of programmes or anything, then let him do it, but make them substantial. You are talking about a \$172 million deficit. Do not talk about using the private elevator out there, or something like that, as being an example of waste or whatever because that would not put a dent in our deficit.

He also says it is definitely not a good idea to increase taxes to increase revenue. Well, that is true, and we happen to agree with him. He used the Conference Board of Canada as his bible and his example of gospel when they say increasing taxes affects consumer spending in a negative way. Well, we could not agree more, Mr. Chairman. That is precisely why we did not increase our taxes. So, the two situations are not comparable at all. What the Conference Board of Canada was talking about was increasing taxes. The more you increase taxes, the less consumer spending there will be. We do not disagree with that but we have not increased our taxes. That is precisely the reason why we have not increased our taxes. Hon. members over there know we have not increased our taxes this year. We have not.

MR. EFFORD:

You cannot, can you? What can you increase?

MR. SIMMS:

Exactly. We cannot, and that is

why we did not.

Mr. Chairman, having dealt with what the member for Bonavista North took ten minutes to talk about in a two minute rebuttal, I would like to get on to some more positive aspects to which the the Government House Leader wanted to refer. I know I only have a few minutes, but I would like to just quickly run through some things for the benefit of members who perhaps cannot remember the positive things in the budget. I know that members in the Opposition frequently have difficulty remembering positive things in the budget, because that is not what they are geared to. They are geared to criticize, condemn, oppose and all the rest of it. They look at anything at all that is negative and do not allude to any of the positive items.

I am trying to look at the hon. member behind the member for Windsor - Buchans.

MR. FLIGHT:

Is the minister going to send his speech to The Advertiser?

MR. CHAIRMAN:

Order, please!

MR. SIMMS:

Possibly. This is not my speech in the budget debate, I remind the hon. member. This is a five or ten minute exchange which I rarely do.

Mr. Chairman, let us look at some of the positive things in this budget. By the way, there is something else that I want to take the opportunity to elaborate on. There is a perception out there in the community, I believe it is fair to say, a perception and a

myth that in this budget speech the Minister of Finance announced a freeze - a freeze, mind you - on capital project spending, municipal capital projects, transportation capital projects, and the like. There is a perception out there that that means there will be no capital projects, municipal projects, or transportation projects. I suspect part of the reason for that myth being out there is that my hon. friends opposite, since the budget came down on Thursday, have been doing their own thing out in their own areas with their own little media groups and they have been emphasizing this myth and saying, 'My God, it is shocking! There is a freeze on capital grants; no more municipal grants; no more transportation; no more roads projects.' Mr. Chairman, that is just not accurate. It is not true.

The fact of the matter is there will be millions of dollars worth of municipal capital projects and millions of dollars worth of transportation projects. What the Minister of Finance said is that this will continue at the current level. That is what the Minister of Finance said. So, for members opposite to try to give the impression there is no capital construction to be undertaken on roads or municipal projects is just untrue, inaccurate and, most of all, unfair to the people of this Province, to try to mislead them in that kind of a way.

Mr. Chairman, he did say that there would be a freeze on construction of new nursing homes, new hospitals, and major renovations to hospitals. Again, these are new projects. There will be no new projects in that area. But it does not affect -

MR. W. CARTER:

What about Mount Pearl?

MR. SIMMS:

That project was already announced months ago, Mr. Chairman. These are new projects from here on in as per the date of the budget. It does not affect the Grand Falls Hospital expansion either, I am happy to say. I know the member for Windsor - Buchans is delighted with that news as well, because he has constituents that work there and he has constituents who, unfortunately, have to be patients there from time to time. I wanted to make that particular point, Mr. Chairman, while I had a minute or two.

Mr. Chairman, let us look at some of the other positive programs to try to stimulate employment government and the Minister of Finance announced. There will be over \$44 million in funding to create thousands of jobs, albeit it for varying durations, but still, thousands of jobs.

There are projects in the forestry sector, parks sector, fisheries sector and in the agriculture sector which are yet to be announced that will create jobs that will have meaningful, long-term, future employment opportunities for people of Newfoundland, the young people in particular. That is why we decided to direct our job development spending that we had in the federal/provincial programme into those areas. Rather be out painting fences or putting up fences around cemeteries or that kind of thing, we wanted to do something meaningful so we have redirected our efforts.

The government also has, through

the NLDC, adopted initiatives to promote entrepreneurship and these include, amongst others, a Renewed Business Equity programme, details of which were passed out - I never hear members opposite talking about that. That is very, very positive, the business community have indicated as such.

MR. CHAIRMAN:  
Order, please!

The hon. member's time is up.

MR. SIMMS:  
I am sorry, Mr. Chairman, by leave.

MR. CHAIRMAN:  
Does the Minister have leave to continue?

SOME HON. MEMBERS:  
No.

MR. SIMMS:  
I will get back to it again, Mr. Chairman.

MR. W. CARTER:  
Mr. Chairman.

MR. SPEAKER:  
The hon. the member for Twillingate.

MR. W. CARTER:  
Mr. Chairman, I just wanted to say a few words in this debate. I have to refer the House back to what happened today during Question Period. All I can say is that would it be that that we had television cameras in this House because the response to my quite legitimate question, Mr. Chairman, I am afraid was met with anything but the kind of favourable reaction it should have received from members opposite.

Mr. Chairman, it is no laughing matter. If the members opposite

could have seen themselves laughing, making fun, playing games, joking in response to my question - and my question of course was made in behalf of the aged and the chronically ill in Twillingate district - and I will repeat my question, Mr. Chairman.

My question to the minister was can he explain to the people in Twillingate district, especially the aged and to the chronically ill, how it is that their needs must now come secondary to the building of a new ivory tower, a new public building in the Town of Mount Pearl to house Motor Registration at a total estimated cost of \$8.8 million. Mr. Chairman, I am afraid that the response I got to that question, both from the minister and from his colleagues, would not be too well received by the aged and by the chronically ill people that I have the honour to represent. In fact, I suppose I can go further and say that their reaction would not be too well received by the aged and the chronically ill in other parts of Newfoundland that are now being denied a very essential service.

Mr. Chairman, the hon. the member for Grand Falls (Mr. Simms) and others that have spoken in this debate have tried to rationalize the \$172 million deficit on current account. What we are seeing today is a government that cannot pay its light bill, cannot pay its hired help and cannot meet its current expenses. Projected in the present fiscal year there will be an expenditure of \$172 million over and above the amount they will have at their disposal.

Mr. Chairman, in the budget they talked about putting freezes on water and sewer systems, putting a

total freeze on new buildings for the chronically ill, for example, hospital extensions, new buildings and schools, but what they are not talking about, Mr. Chairman, is the \$2.5 million travel bill that these ministers and their deputies will run up in the next twelve months, \$2.5 million! As the Minister of Health (Dr. Twomey) can tell you, that is probably more than what it would cost to build a modern, efficient chronic care home in Twillingate district, much more.

I am not saying it is all being wasted either. I recognize the fact that the ministers had to do a certain amount of travelling. We all know that. There is \$2.5 million altogether being budgeted for travel this year by deputies and by ministers, a scandalously high figure.

Press secretaries: Even though, I suppose, we are spending about \$3 million on Newfoundland Information Services, something that is available to all the ministers in all departments, that does not satisfy eight or nine of them. They have to hire their own press secretaries and, I think, in pretty well all cases, political appointments at that.

In fact, we saw evidence this morning where the Minister of Forest Resources and Lands (Mr. Simms) had a press secretary that came in through the regular channels, through the Public Service Commission and he dispensed with that job, and, by his own admission, brought in a political appointee to put in that job, doing the same work but, obviously, because in the first instance his press secretary was a regular civil servant who had gone through the system, he was not

able to use the gentleman for political purposes as he wanted, so he changed the whole system. He has created a new appointment using the same person as a political appointment.

Mr. Chairman, this year in my district, for example, there are going to be problems like we had last year with water and sewer. In many communities in Twillingate district, in fact, all over Newfoundland, it is not at all unusual to see raw sewerage in the ditches on the side of the road. Again, while all that is going on, we see ministers that will become involved in very costly travel. For example, the Minister of Development and Tourism (Mr. Barrett) last year budgeted \$60,000 for travel and his revised estimate for that year was \$135,000. He more than doubled the amount of his travel. The same gentleman, of course, who is getting some notoriety now as being a great party thrower, budgeted \$3,900 for Purchased Services, most of which is entertainment. Eventually his bill cost \$32,000, from \$3,900 to \$32,000. That, Mr. Chairman, could put in a sewer system in some of the smaller communities in my district.

We have seen the Minister of Forest Resources and Lands, for example, who has become a world traveller, his estimate went from \$60,000 last year to \$123,000, travelling around the world at a cost to the taxpayers of this Province of \$123,000, again more than double the amount that was initially estimated. The hon. gentleman's entertainment bill is worthy of note also. It went from \$3,600 to \$10,500, a lot of parties, a lot of cocktails. Of course, on and on it goes.



The Minister of Transportation (Mr. Dawe) should not be allowed to escape notice. He budget for \$40,000 to travel and his tripled, his went to \$120,000. I would like for the hon. gentleman to explain to the House, and he will get a chance to do it, just how he can rationalize an expenditure of \$120,000 for travel in the last fiscal year.

Of course we have the Minister of Rural, Agricultural and Northern Development (Mr. R. Aylward) over here who estimated \$54,000 for travel and who actually spent \$102,000.

The Minister of Fisheries (Mr. Rideout) was not altogether tied down either. He went from \$60,000 as estimated to \$100,000 in travel.

MR. WARREN:

And he was worth every cent.

MR. W. CARTER:

The Minister of Education (Mr. Hearn), he did not spend all of his time up off Cape St. Mary's either, apparently, in the bird sanctuary. He went from \$40,000 to \$54,500 for travel. His entertainment bill jumped too from \$3,900 to \$9,900, just about a threefold increase.

Then, of course, the Minister of Labour (Mr. Blanchard), is another gentleman who obviously likes to put on the Seven League Boots. Is that what they call it? They call him the Marco Polo of the Provincial Cabinet. His travel bill went from \$40,000 to a grand total of \$63,000 last year. On entertainment, he was not altogether drinking Diet Pepsi all the time either, I am afraid. That went from \$3,900 to \$6,900.

AN HON. MEMBER:

Oh, oh!

MR. W. CARTER:

That is probably the mix.

MR. WARREN:

What was your entertainment vote when you were a minister?

MR. W. CARTER:

Mr. Chairman, my entertainment, when I was Minister of Fisheries, as the hon. member knows, did not even come close to even what the lowliest minister over there spent last year.

MR. WARREN:

Let us dig it out and see.

MR. W. CARTER:

Dig it out and see. Yes, you can dig it out, and you can dig it out again and you will find out that it can stand up to scrutiny much better than some of these figures will in five years time.

SOME HON. MEMBERS:

Oh, oh!

MR. CHAIRMAN (Mitchell):

Order, please!

MR. W. CARTER:

So, Mr. Chairman, they can laugh all they like over there, but the fact of the matter is there are people in Newfoundland today that are being denied essential services.

MR. CHAIRMAN:

The hon. the member's time is up.

MR. W. CARTER:

Because of the waste and the squander of these men, they are going to be denied these services, Mr. Chairman. The record speaks for itself.

MR. FLIGHT:

Mr. Chairman.

MR. CHAIRMAN:

The hon. the member for Windsor - Buchans.

MR. FLIGHT:

Thank you, Mr. Chairman.

I had not intended to get into this particular debate but I have a few notes, and I did want to allude to a few things that are important in my district.

But, Mr. Chairman, I was just passed a note. I was just made aware of something. I think it is necessary for the House of Assembly to be aware in the event that they are not aware. Ten or fifteen minutes ago in the House of Commons, Mr. Chairman, the President of the United States, a world leader, was addressing the House of Commons and, unprecedented in Canadian parliaments, he was booed by the socialist party.

AN HON. MEMBER:

What? What?

MR. FLIGHT:

Booted by the socialist party, by the NDP, booted to a point, Mr. Chairman, and interrupted to a point that the Speaker of the House of Commons had to call order. Now, Mr. Chairman, how disgraceful!

MR. FUREY:

Reagan was speaking in the House of Commons, and the NDP interrupted him.

MR. FLIGHT:

The President of the United States, Mr. Chairman.

SOME HON. MEMBERS:

Oh, oh!

MR. FLIGHT:

Mr. Chairman, it makes one wonder. I sit in awe in this House and watch the NDP and watch what they will do for half a second or a half a minute clip in the media. Mr. Chairman, it makes one wonder just to what low they will go.

The member for St. John's East (Mr. Long), who is sitting in his seat, Mr. Chairman, his performance this past month or so leaves one to wonder, him and his leader, who is not there, to just what depths they would sink, Mr. Chairman, in order to garner a little press? I am wondering, Mr. Chairman, if the member for St. John's East would support his cohorts in Ottawa. Would he agree that it was the proper thing to do, to interrupt the President of the United States when he is giving a speech to the House of Commons in Ottawa? The rabble rousing and the booing and the distraction was led -

MR. TOBIN:

It was a joint session of the House and the Senate.

MR. FLIGHT:

Yes, a joint session of the House and the Senate, Mr. Chairman. I might tell the member that it went over like a lead balloon, the media, Mr. Chairman, as they should, is castigating the NDP for embarrassing Canada the way they have. Irregardless of what you think of one of the world leaders, you should show him the decency and the courtesy that we are capable of and is expected of us.

Mr. Chairman, I would hope that when the member for St. John's East stands in his place, or the Leader of the Provincial NDP stands in his place, he will

disassociate himself from the people that they appear once in awhile to be taking their leads from, witness the NATO position, Mr. Chairman, and witness the change in the NDP's position on a NATO base for Goose Bay after their Mainland compatriots decided to tell them they should oppose a NATO base in Goose Bay.

Mr. Chairman, I think the member for St. John's East (Mr. Long) will do the honourable thing when he stands up and disassociate himself totally from the performance of his federal cohorts in the House of Commons today.

Mr. Speaker, I want to mention for a minute something that is very important to me and my constituency. I notice that the Minister of Forest Resources and Lands (Mr. Simms) is in the galleries listening, and, of course, this is a very important issue to the minister, as well; it concerns his constituency as it concerns mine and it concerns the Minister of Health's constituency. There are approximately 23,000 people in the communities of Grand Falls, Windsor, and Bishop Falls today who are drinking water and there is some question as to whether it is fit to drink. Apparently, there is no question in the minds of the Department of Health officials whose job it is to determine whether water is polluted or not, but there certainly is in the minds of the people who are using the water from that system.

I would not want to go to a percentage, but I would guess that a large percentage of the people of Windsor, Grand Falls, and Bishop Falls are refusing today to drink the water that comes from

the town's water supply. They are hauling water from any source in the area, driving miles up the Trans-Canada Highway, going to Abitibi-Price, and going to other sources than the town water supply.

Now, Mr. Chairman, the year before last there was a boil water order on - not this Summer past, the Summer before - because of a coliform infection - for want of a better word - that got into the water. That water boil order was put on in early Summer and was not removed, Mr. Chairman, until getting well into the Fall. A lot of money has been spent and a lot of research has been done to determine what exactly can be done to alleviate that problem. The people of Grand Falls, Windsor and Bishop Falls are waiting with bated breath to determine what the Government of Newfoundland is going to do about the fact that they are drinking polluted water, water that, in their minds, is unfit to drink.

X number of dollars, Mr. Chairman, hundreds of thousands of dollars, have been spent on studies, and a report was made available to the people of Grand Falls - Windsor, through their elected council, that the solution was a water treatment plant. No other solution, by the way, Mr. Chairman. The only solution to the problem is the construction of a water treatment plant so that the people of Windsor, Grand Falls and Bishop Falls can drink water without fear of being poisoned, without fear of what they may be drinking. The cost of that water treatment plant has been set at between \$5 million and \$6 million.

The Minister of Municipal Affairs (Mr. Doyle) is not here, Mr. Chairman.

MR. TOBIN:

He is here. What is the matter with you? Can you not see?

MR. FLIGHT:

Oh, he is. He is not in his seat. The minister may want to get into this debate and take two or three minutes and tell us if something is being done about this situation.. I see in the budget that only \$25 million is allocated for water and sewer and pavement projects in the various communities around Newfoundland and that, by the way, is loan guarantees. So what the people of Windsor, Grand Falls, and Bishop Falls are being told is that if they do indeed get their treatment plant it will be by way of a loan guarantee, that the provincial government is not going to be putting any money into that project; they are going to guarantee a loan to towns that are already debt ridden, certainly two of them.

MR. DOYLE:

Do you know what a loan guarantee is?

MR. FLIGHT:

I know very well what loan guarantees are, Mr. Minister.

Now, Mr. Chairman, the Minister of Health and the Minister of Forest Resources and Lands have a lot a stake here. I am sure the Minister of Forest Resources and Lands, almost as much as I do, wants to make sure that his constituents get to drink decent water. I know, Mr. Chairman, that he is as concerned as I am and that he will do everything possible to make those funds available. But I have to question it, Mr. Chairman, when \$25 million is allocated for the whole Province; Port aux Basques' share

will come out of the \$25 million, and if the hon. Chairman wishes to do anything by way of water and sewer in his district it must come out of that \$25 million. We are looking at a water treatment plant in Grand Falls that will cost between \$5 million and \$6 million, loan guarantees.

So, I am wondering, Mr. Chairman, and I am going to be supporting the minister right to the hilt, just how much of that \$25 million he is going to be able to commit to the communities of Grand Falls, Windsor and Bishop's Falls this Summer. They are waiting now for the minister to indicate exactly how much money will be allocated to the start of the construction of a water treatment plant, which will allow the people of those towns to enjoy a decent water supply.

Can you believe it? Can the President of Treasury Board (Mr. Windsor) believe that that could be happening in this Province today, that 23,000 people, captive in three small communities, would be drinking what is seen by a lot of people as polluted water, unfit for human consumption? It had a boil order on it for three to four months and the cold weather finally took care of the coliform; it is coming out of a bog hole, and seen to be a bog hole, Mr. Chairman. So the need is there and I am sure the minister will agree how great the need is.

I would have hoped that the Government of Newfoundland would have identified with that special need and found money for that water treatment plant, the same way the President of Treasury Board found \$3 million in this fiscal year to start the construction of a Motor

Registration Building.

Let us talk about priorities now, Mr. Chairman. What is the greatest priority here, is it to guarantee that a community, people, can drink decent water, or is it to build a new Motor Registration Building?

Mr. Chairman, I have to make some comparisons between the effectiveness of the President of Treasury Board in finding monies, big monies, to spend in his riding to serve a questionable need and with the Minister of Forest Resources and Lands (Mr. Simms) and the Minister of Health (Dr. Twomey) to be able to find the \$3 million which, by the way, would have been 50 per cent of the capital cost of that water treatment plant.

MR. WINDSOR:

Compare apples and apples now. How much water and sewer money will Mount Pearl get?

MR. FLIGHT:

In Mount Pearl this year?

MR. WINDSOR:

Yes.

MR. FLIGHT:

There is probably no need. The minister has made sure of that over the last six or seven years, at the expense of other districts, and that is the reason why Grand Falls, Bishop's Falls and Windsor are drinking polluted water.

MR. CHAIRMAN:

Order, please!

The hon. member's time has elapsed.

MR. FLIGHT:

Mr. Chairman, I intend to get back. I am glad the minister is

getting into this debate, Mr. Chairman, because I know he is as concerned as I am.

MR. SIMMS:

Mr. Chairman, the hon. the Minister of Forest Resources and Lands is not coming into the debate, the hon. the Minister of Forest Resources and Lands was already into the debate long before the hon. member for Windsor - Buchans spoke. So, he need not think that he dragged me to my feet or anything like that, he need not rush out and call CKCM and tell them, 'I got the Minister of Forest Resources and Lands up on his feet to talk about the water treatment plant', or anything like that, because I am doing this of my own free will.

Now, Mr. Chairman, I do want to address the issue that the member for Windsor - Buchans has raised, mostly because my colleague, the member for Exploits, who also happens to be the Minister of Health, and myself have been badgering, and I mean literally badgering, the Minister of Municipal Affairs about this. The Minister of Municipal Affairs, as soon as he concludes his conversation with your colleague from Bonavista North, will soon look over at me and say, 'That is true. That is true.'

MR. DOYLE:

That is true, that is true.

MR. SIMMS:

The member for Exploits and myself have been literally badgering the Minister of Municipal Affairs over the last year.

Mr. Chairman, I am well aware of the tremendous job that my colleague, the President of Treasury Board, does in

representing his constituents of Mount Pearl, and in getting all the things he gets done in his constituency. He does that with the support of other members and other colleagues in the House of Assembly, and, Mr. Chairman, for the benefit of the member for Windsor-Buchans, I fully expect the member for Mount Pearl will support the member for Exploits and the member for Grand Falls in their efforts to get everything they can for their constituents.

Now, that is just a sort of general kind of preliminary remark that I wanted to make before I get into the meat of my comments, and the debate the hon. member has raised with respect to a water treatment plant for the Exploits Valley area.

Now this, Mr. Chairman, is an issue that goes back quite some time. It is not as if it were government's fault that the problem occurred. I am sure the member is not trying to suggest that at all. Or he may be trying to partly suggest that, because if there is a way at all to score a little political point, he might try to do it. It always amuses me, Mr. Chairman, when we are accused of playing politics, as the member for Windsor-Buchans has often accused me of doing, that it is fine for a doctor to practice medicine, or an engineer to practice engineering, or a nurse to practice nursing, but as soon as a politician practices politics, somehow that is reprehensible, there is something wrong with that. That is a bit silly, especially when a politician makes the accusation.

MR. WINDSOR:

It is because he does not know how to play politics.

MR. SIMMS:

Anyway, Mr. Chairman, the issue of the water treatment plant is a very serious issue. It is a pressing matter, and, as I said, the member for Exploits and myself have been literally badgering the Minister of Municipal Affairs (Mr. Doyle) about it. In fact, I had been doing it right up until Budget Day.

Those decisions are not yet finalized. There is an amount of funding in the budget for capital projects. They are all done the same way, guaranteed loans or the guaranteed loan process.

MR. WINDSOR:

For water and sewer, yes.

MR. SIMMS:

For water and sewer, but, as the Minister of Municipal Affairs shouted out to the member when he was speaking, the hon. member, I do not think, fully understands how that process works. In any event, I do not want to say too much about it, because the decisions have not yet been made. I do not want to say anything that might draw the ire of the Minister of Municipal Affairs, if I were to let something slip or whatever, because those decisions still are not made and I am still working, along with the member for Exploits, to try to find a way to resolve the very serious problem that exists in three major communities in Central Newfoundland, Grand Falls, Windsor and Bishop's Falls.

Mr. Chairman, as my colleague, the President of Treasury Board, says, I can assure the member for Windsor-Buchans that neither my colleague from Exploits nor I will rest, we will not have a night's sleep, we will not dare go to bed

- well, we might go to bed and lie down just to rest our eyes a little bit - we will not rest until we have found a successful way to resolve that very serious problem.

And I say to the member for Windsor - Buchans, I want to lay this out to the member for Windsor - Buchans, if, just if, we are successful in our quest on behalf of the twenty-odd thousand people in those three Central Newfoundland communities to find a way to resolve that very serious problem, if we are successful and if by chance the member for Exploits and I decide the best way to advise the people of the area of this is perhaps to hold a press conference out in the area - I think he would agree that would be the wisest thing to do, because there is a fair number of media out there and, notwithstanding that, we would probably follow it up with a door to door brochure or something of that nature - if we are successful and if the hon. member thinks we are just playing politics with it, I am prepared to say here today that I will call the hon. member for Windsor - Buchans and I will invite him to come to the press conference and to sit in - not at the head table mind you, I will not go that far -

MR. FLIGHT:

Why not at the head table?

MR. SIMMS:

No, no, because the hon. member has had very little to do with it.. He often says he cannot do much anyway because he is in Opposition, and I can verify that and confirm it. He has had very little to do with pulling this off. So, if it is pulled off, I think the people who have done it should be the ones to sit at the

head table. But that is a minor, mediocre point. It is petty. It does not matter. I will give the member an opportunity to get an interview. So, I will tell him when the press conference is, if we have one. I have to be very careful here, because we have no assurances of this yet, it is still being debated and worked on. But if we are successful, I will call him and invite him along to sit in the back of the hall somewhere, in the motel, down in the last row or something. We will have a seat down in the last row for him, and he can sit in it, and then he will have access to the press, right there, and he can immediately have the opportunity to say to the press in that area how delighted he is that the government has decided to help the people of the area, and how proud he is of the hard work undertaken by the member for Exploits and the member for Grand Falls in pulling this off. I would expect that he would avail of the opportunity to do that.

Now, if we are not successful and the hon. member for Windsor - Buchans who, because he is in Opposition - I should not say he would be delighted with it. I know he would not really be delighted. From a political point of view he might be, but I am sure he would rather see the treatment plant being done - should decide to call a press conference and chastize the government and criticize the members for Exploits and Grand Falls for not being able to pull this off, having no weight, or whatever they say you have, in Cabinet and all that kind of thing, if he wants to do that, and if he would invite me to attend his press conference, then I state here today, Mr. Chairman, that I would be more than willing

and more than prepared to go to that press conference, sit at the back of the hall, as the hon. member will do at my press conference, and then comment and explain what the situation is and how it has evolved.

I will just leave it at that, because the member for Windsor - Buchans now, I know, will rush out and say, 'I got the minister to stand up on his feet. I got him to admit there is a very serious problem. I got him to admit that - I should not be telling him this, because this is exactly what he will do. That is the type of individual he is. But he does need some help - the ministers involved, he hopes, will be able to pull this off,' like he just did on the parks jobs. He just issued a release on the parks projects out in his district, a very complimentary release, positive. He did not commend the minister personally, and certainly did not commend the member for Grand Falls who has the responsibility for his district, by the way, in Cabinet. Because they are not represented by a government member, I have to watch over Windsor - Buchans. It is because of the effort that I put in around the Cabinet table, fighting with the Minister Responsible for Parks to get projects in Beothuk and Catamaran, and he did not mention any of that in his press release, he just said it was nice, lovely, looking forward to it.

I expect that at this press conference with respect to a water treatment plant, if we should have one, when he is there sitting in the back of the hall, he will have a whole list of things that he will be commending the Minister of Forest Resources and Lands and the

Minister of Health on, as the opportunity will allow him. That is all I wanted to say, Mr. Chairman.

MR. FLIGHT:  
Mr. Chairman.

MR. CHAIRMAN:  
The hon. the member for Windsor - Buchans.

MR. FLIGHT:  
Thank you, Mr. Chairman. Number one, I doubt very much - he should though - if the minister is prepared to call a press conference and invite me if he announces the project, then I suggest to him he should call a press conference if he does not announce the project. Because certainly the people of Central Newfoundland, Windsor, Grand Falls and Bishop Falls, will want to know why they are not getting a water treatment plant, why they are being forced to drink water that is unfit for human consumption. So why does the minister not take the responsibility for both press conferences?

Mr. Chairman, I am going to leave the water treatment plant now. I am going to wait for the next little while and watch and see how much of that \$25 million the minister can get. I want to draw the minister's attention to another situation in his constituency, in Grand Falls, Windsor, and Bishop Falls, and that is the construction of an incinerator. The Minister of Environment (Mr. Butt) perks up his ears. I wonder, is the House aware, Mr. Chairman, that last year the Government of Newfoundland committed \$1 million and built an incinerator in the Grand Falls, Bishop Falls, Windsor



area? The minister nods.

I wonder if the minister is aware that that incinerator is sitting there unused and may never be used in the foreseeable future? I wonder if the minister is aware that the municipalities concerned do not have the money to resurface the road so that garbage can be hauled to the incinerator? I wonder if the Minister of the Environment is aware, or if the minister is aware, that that incinerator was built and paid for without the government departments concerned being aware that it could never be used until certain roads were upgraded?

Now, Mr. Chairman, the problem here is this: The three councils and the Regional Services Board cannot get the attention of government and the minister responsible to come up with an understanding under which that road can be financed and built. So, the Minister of Municipal Affairs might want to stand in his place now -

MR. SIMMS:

To a point of order, Mr. Chairman.

MR. CHAIRMAN:

The hon. the Minister of Forest Resources and Lands.

MR. SIMMS:

The hon. member is going to drag out the clock.

MR. FLIGHT:

No, I am not.

MR. SIMMS:

The point of order is this: The hon. member just made a statement that the departments involved, or the government, has not been able to work out an arrangement, or at least offer an arrangement to the

municipalities for the use of that road. That is not true. The government has offered to upgrade and pave that road on a 60/40 cost-shared basis, the same as they do for any other municipal road.

MR. FLIGHT:

Just halfway to Wooddale.

MR. SIMMS:

Plus, Mr. Chairman, they offered to pay the full cost of paving the road into Wooddale and the other seven kilometers 60/40, and the municipalities concerned refused that offer.

MR. FLIGHT:

Mr. Chairman, the municipalities refused that offer -

MR. CHAIRMAN:

Are you speaking to the point of order?

MR. FLIGHT:

No, Mr. Chairman, there is no point of order.

MR. CHAIRMAN:

There is no point of order.

MR. FLIGHT:

The municipalities refused that offer for a very simple reason. Number one, they could not afford to take on the loan guarantees, number two, they could not afford to raise the 40 per cent, and number three, they know that there is an incinerator in Conception Bay South, which the Minister of Environment represents and the Minister of Municipal Affairs represents, which cost \$2.5 million and it was paid for totally by the Government of Newfoundland.

So the people of Grand Falls - Windsor are wondering why they are

being treated differently than the people of Conception Bay South.

MR. CHAIRMAN:

Order, please! The hon. member's time is elapsed.

MR. FLIGHT:

No, Mr. Chairman, my time is not elapsed. I am prepared to adjourn the debate.

MR. CHAIRMAN:

Fine! Thank you.

You can continue tomorrow, if you want.

MR. OTTENHEIMER:

Mr. Chairman.

MR. CHAIRMAN:

The hon. the Government House Leader.

MR. OTTENHEIMER:

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

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

MR. SPEAKER:

Order, please!

The hon. the member for LaPoile.

MR. CHAIRMAN:

Mr. Speaker, the Committee of the Whole on Supply have considered the matters to them referred and 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. OTTENHEIMER:

Mr. Speaker.

MR. SPEAKER:

The hon. the Government House Leader.

MR. OTTENHEIMER:

Mr. Speaker, before putting the adjournment motion I would just remind hon. members, number one, that the Budget debate will be called tomorrow, and also give an update of the Estimates Committees: This evening at 7:30 p.m. the Government Services Committee - Department of Transportation - they are all being held here - Tuesday morning at 9:30 a.m. the Social Services Committee - Education; Tuesday evening at 7:30 p.m. the Social Services Committee - Department of the Social Services; Wednesday morning at 9:30 a.m. the Government Services Committee - Public Works.

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

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