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**VERBATIM REPORT**  
*(Hansard)*

*Speaker: Honourable Patrick McNicholas*

Thursday

18 June 1987

The House met at 3:00 p.m.

MR. SPEAKER (McNicholas):  
Order, please!

Oral Questions

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

MR. K. AYLWARD:  
Mr. Speaker, I had a question for  
the Premier and then we were going  
to go to Career Development, but  
the Premier is not here. I  
presume the Minister of Career  
Development and Advanced Studies  
(Mr. Power) is here somewhere?

SOME HON. MEMBERS:  
He is here now.

MR. K. AYLWARD:  
I would like to direct my question  
to the Minister of Career  
Development and Advanced Studies.  
We would like to know if the  
minister or anybody in this  
government has bothered  
to determine how many young people in  
the Province, ages sixteen to  
twenty-four, are unemployed at the  
present time? Have they bothered  
to determine the exact numbers?  
If they have, could he tell us the  
number?

MR. SPEAKER:  
The hon. the Minister of Career  
Development and Advanced Studies.

MR. POWER:  
Mr. Speaker, obviously the member,  
like all the rest of us, receives  
the monthly reports from  
Statistics Canada that says how  
many people are employed, how many  
people are actively in the work  
force. If the member wishes I can  
get him a copy. I believe I have

one here somewhere in my desk and  
I would gladly give him a copy of  
it. The unemployment rate among  
young people is something that we  
are gravely concerned about, if  
that is the point he is makin, and  
we are trying to alleviate that as  
much as possible through the  
make-work programmes that we have.

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

MR. K. AYLWARD:  
Is the minister aware - I will  
table the figures because we  
cannot seem to get the government  
to admit the numbers, and I think  
there is a good reason for that -  
there are 114,000 young people  
from sixteen to twenty-four in the  
Province and at the present time  
34,000 of those people are  
working? Does the minister know  
that of that figure there are  
61,000 people classified as either  
students or discouraged young  
people who are not seeking work?  
Could the minister tell us if his  
government has done any research  
on the amount or the numbers of  
people who are discouraged and  
young people who are not seeking  
work because they feel they cannot  
find any employment?

MR. SPEAKER:  
The hon. the Minister of Career  
Development and Advanced Studies.

MR. POWER:  
Mr. Speaker, again, all of us in  
this House read the same monthly  
report that comes in, which shows  
the number of workers actively  
seeking work in the Province,  
those that are, obviously,  
unemployed, and those that are  
employed in the Province. We are  
always concerned about that. The  
only target group that we  
identified in our \$12.5 million

make-work projects this year was youth, that is, below the age of twenty-four, and we did that because that is the group that has the highest unemployment rate in Newfoundland. The rate is higher amongst young adult males below age twenty-four than it is even for females below age twenty-four. It is a subject of great concern for the government. We have identified and targeted that group in our make-work projects at \$12.5 million and we hope to be able to alleviate the situation as much as we possibly can. I just want to say, Mr. Speaker, that sometimes in Newfoundland we think these are only problems relating to our jurisdiction when, in effect, they are a problem of every Western jurisdiction which has a tremendous amount of young people unemployed. It is something which is of great concern to us and we are trying to improve it, but it is something that is not fully within Newfoundland's control, to employ all the young people in the Province.

MR. K. AYLWARD:

A final supplementary, Mr. Speaker.

MR. SPEAKER:

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

MR. K. AYLWARD:

Mr. Speaker, I will table from our Research Bureau, from limited research powers that we have, the information for the minister so that he can become aware of the numbers of unemployed people out there.

Would the minister tell us, since his government has no research done on the exact numbers of disenchanting young people who are not even looking for work, and

since his government go by the Stats Canada figures on youth unemployment, could he tell us, besides the one or two programmes that you have brought in, one of them being an initiative that we have suggested, are his ministry and the government going to be dealing with the youth unemployment catastrophe of 40 per cent and upwards, if they have four or five initiatives that they will be bringing forward within a few months to deal with a crisis in this Province that is double and/or triple most of everywhere else in North America?

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

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

MR. POWER:

Mr. Speaker, first of all, to say that we have no research done is not accurate. We obviously depend upon Statistics Canada to give us the monthly figures as they break down a comparison of our Province and other provinces. The fact is that our government, and many agencies of government, are extremely concerned about youth unemployment, which is part of the total unemployment situation in Newfoundland which is larger and higher than it is in any other part of Canada.

The programme that we have, the \$12.5 million, is one way to alleviate that. But, Mr. Speaker, there are other ways to do it. The \$213 million investment that we make in post-secondary education in Newfoundland, which also comes under my jurisdiction, is one way to really help young people access meaningful employment and get away from the

short term unemployment, ten-week syndrome that many of them are into.

So, Mr. Speaker, we are spending vast amounts of money in this Province through my department, through the Department of Rural Development, and through the Department of Fisheries. All the initiatives that we take in this Province to make sure there is long-term, meaningful employment are all things that help youth, because they are part of the larger problem of the unemployed in Newfoundland.

I do not deny for one moment what the member has said, that there is a very serious problem in youth unemployment. We, Mr. Speaker, are trying to identify that, but it is just difficult. Two or three weeks ago I represented Canada at a conference in Germany whereby the OECD countries, the Western countries of the world, were worried about unemployment and labour market adjustment. Youth unemployment was the highest priority at that conference. They identified for the twenty-seven countries involved something like 30 million unemployed, Mr. Speaker. Newfoundland has part of that and we are doing as much as possible to alleviate it.

MR. LUSH:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Bonavista North.

MR. LUSH:

I have a question for the same minister, Mr. Speaker. I wonder if the minister is aware that projections by the Conference Board of Canada and by his own Finance Minister (Dr. Collins)

predict that unemployment will decrease by .5 per cent in the next two years? That is one-half of 1 per cent over the next two years. It will drop from 20 per cent in 1986 to 19.5 per cent in 1988, one-half of 1 per cent. In view of that, Mr. Speaker, is the government now telling the young people, and the adult population for that matter, that they can expect no relief from this disastrous, scandalous, and outrageous tragedy and travesty of youth unemployment?

MR. SPEAKER:

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

MR. POWER:

Mr. Speaker, the difference between the Conference Board of Canada and the Government of Newfoundland and Labrador is that we were elected to do things in this Province to alleviate unemployment and to solve other social and economic issues in this Province. We are trying to do that to the very best of Newfoundland's fiscal capacity. Simply because the Conference Board of Canada says that we are going to have only a 5 per cent reduction in unemployment does not make it so.

MR. LUSH:

Not 5 per cent but .5 per cent.

MR. POWER:

That Conference Board, Mr. Speaker, has been inaccurate, it has not always been right on the money in all of its projects over the last ten years or over the last five years. We have an economy in Newfoundland, Mr. Speaker, what we are trying to improve in many significant ways, as we did with Kruger in Corner Brook, as we did with FPI.



Members opposite violently oppose things like the Sprung project and the innovative kind of ways we are trying to develop new industries in Newfoundland. Members opposite cannot have their cake and eat it too, and say, on one hand, we should create employment, and, on the other hand, we should not do things which are new and modern.

MR. LUSH:  
Mr. Speaker.

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

MR. LUSH:  
Mr. Speaker, I want to remind the minister, first of all, that the unemployment reduction rate we are talking about is not 5 per cent, it is .5 per cent, 1/2 of 1 per cent, and the predictions were made both by his own Minister of Finance and the Conference Board of Canada. Both, Mr. Speaker.

SOME HON. MEMBERS:  
Hear, hear!

MR. LUSH:  
Mr. Speaker, in view of this small improvement, if a corner store closes in St. John's we will be up to 20 per cent again.

SOME HON. MEMBERS:  
Hear, hear!

MR. LUSH:  
So, Mr. Speaker, will the minister please address the question? In view of these startling facts that have been predicted by his own minister and substantiated by the Conference Board of Canada, will he now acknowledge that his government is doing nothing to reduce youth unemployment in this Province?

SOME HON. MEMBERS:  
Hear, hear!

MR. POWER:  
Mr. Speaker.

MR. SPEAKER:  
The hon. the Minister of Career Development and Advanced Studies.

MR. POWER:  
Mr. Speaker, the member takes great liberty in interpreting statistics. The Minister of Finance has not predicted anywhere, to my knowledge, that we are going to have a .5 reduction in unemployment over the next couple of years.

SOME HON. MEMBERS:  
The budget!

MR. POWER:  
A report was in the budget, not saying that that report was done by this government or supported by this government. We are doing, as a government, a whole range of things to reduce unemployment in Newfoundland. Tomorrow I will make another statement announcing creation of another several hundred jobs in Newfoundland. Members opposite will get up, uniformly, individually, and criticize the fact that we have a make-work programme in Newfoundland, that we have created some jobs, in excess of 2,000, using the \$12.5 million fund that we have put in the budget for this year. Members opposite get up and say you should not do the programme this way or you should not do the programme at all, and next day they say that somehow or other they are the only persons in the world who are concerned about youth unemployment. Mr. Speaker, youth unemployment, and unemployment in general, is the highest objective of this

government. We are going to continue on with the programmes that we have in Fisheries, in Forestry, in Agriculture, and in the new business initiatives that we have taken this year. They are not going to come without general improvements in the marketplace, without general improvements in the economy. We cannot become, as you oftentimes try to be, like the socialists hordes who say that every employee must be an employee of government. There is a way to stimulate the economy. There is a way to create meaningful jobs. And, Mr. Speaker, we are going to continue along with those good programmes that we started this year and in years past.

MR. FUREY:  
Mr. Speaker.

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

MR. FUREY:  
To the same minister, Mr. Speaker. It is interesting to see the minister praise the make-work programmes that the entire government condemned three years ago.

When is the government going to face the truth about the 19,000 young people out there who are unemployed, recognize it as a crisis, and give Newfoundland and Labrador a specific plan to deal with this 36 per cent unemployment rate? When is government going to go to the young people with a specific plan to cure this devastating problem?

MR. SPEAKER:  
The hon. the Minister of Career Development and Advanced Studies.

MR. POWER:  
Mr. Speaker, anyone who sat in

this House this year during the Budget and Throne Speech realizes that this government is taking initiatives relating to youth unemployment as well as unemployment in general, through our Youth Entrepreneurship Programme and our post-secondary education system, which is a very important factor and should not in any way be diminished. The fact is there are no easy fixes when it comes to solving youth unemployment whether in Newfoundland, in Canada, the United States or any of the free Western world. You cannot simply solve unemployment by forming government programmes. Education is an integral part of that, and the \$213 million that this government is investing this year on behalf of the citizens of Newfoundland and Labrador to make our education system function is a direct way to create meaningful jobs in this Province. The other initiatives we have taken, creating a fund of \$12.5 million, identifying 40 per cent of it for unemployed youth, targeted towards hiring young people, are meaningful ways to get youth involved in the economy of Newfoundland and Labrador. It is not going to solve all the problem and I suspect that for many, many years to come there is no way that any provincial government in any part of Canada is going to be able to find the fiscal resources to solve all of the unemployment problems in its area. It is a general economic problem. As our marketplace improves, as our education system combines and dovetails with the marketplace, then you will find that we have more meaningful employment created, Mr. Speaker. I only say that the members opposite who criticize soundly ever programme that we bring in on this side, are

saying one thing one day and something else the next day.

MR. FUREY:  
Mr. Speaker.

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

MR. FUREY:  
It is one thing to be educated but when they are educated, where are the jobs? What does the minister say to the educated young people quoted in *The Globe and Mail* two weeks ago, and one in particular who said, 'There is nothing here for me in my Province. I am the son of a fish plant worker. I intend to work long enough unloading crab to buy a one way ticket to Toronto'? Now what does this minister and this government say to that young person and the thousands of young people who are educated and have to leave their homes?

MR. SPEAKER:  
The hon. the Minister of Career Development and Advanced Studies.

MR. POWER:  
I say to that member, Mr. Speaker, and hopefully through him to the people of the Province who seems to somehow diminish the value that education plays in getting employment, that there is a tremendous difference between the number of employed people who have post-secondary education and the unemployment rate with those persons who have no post-secondary training, who have not graduated from high school. If the member is somehow or other insinuating that education is not a meaningful tool in creating employment in this Province, or anyplace else, he is totally, totally out to lunch when it comes to what is the new, progressive North American

approach to creating meaningful long-term employment.

MR. FUREY:  
A final supplementary, Mr. Speaker.

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

MR. FUREY:  
Is the minister saying that he has no plan for the 36 per cent of young people who are unemployed, no plan for those who are unemployed without education, and no plan for those who are educated and unemployed? Is that what he is saying this government is saying?

MR. SPEAKER:  
The hon. the Minister of Career Development and Advanced Studies.

MR. POWER:  
Mr. Speaker, absolutely not.

MR. CALLAN:  
Mr. Speaker.

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

MR. CALLAN:  
Mr. Speaker, I remind the Minister of Career Development and Advanced Studies of the nine recommendations of the House Royal Commission Report, numbers 105 to 113 inclusive. Mr. Speaker, Recommendation 105 recommends that both the federal and the provincial governments provide funding for youth employment programmes in this Province, and that it should be increased substantially, and I ask the minister why has that not been done? Why is it that this government has not adopted that recommendation? And why is it that this government has not

co-operated with the federal government in an effort to put Recommendation 105 into effect in this Province?

MR. SPEAKER:

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

MR. POWER:

Mr. Speaker, as members opposite ask their questions, I really begin to wonder about the education system at all. It was this government that set up the Royal Commission on Employment and Unemployment. It was that party that opposed it, Mr. Speaker. It is this government which followed as many recommendations from the Royal Commission as we could possibly do. Last year we had \$7.5 million in job creation projects, this year we put in \$12.5 million. If someone does not think that going from \$7.5 million to \$12.5 million is not a substantial increase, then I do not know where you got your mathematics training.

The fact is, Mr. Speaker, that we have combined our programmes in many ways with the federal programmes. The Job Creation Programme for Summer employment for students, the make-work projects of the federal government are in very many ways compatible with the programmes we have. The fact is the federal programme has training requirements involved, because the federal government realizes - the Liberal Party of Newfoundland may not realize this - that you have to have a training component in many make-work projects. Otherwise, when the projects are finished - the old twelve week syndrome does not work - it simply leaves the person in exactly the same quandry that they were in before, with no better

skills, no better able to access a permanent, meaningful job.

So the fact that we have training programmes, the fact that many of the persons who are trained while they are working on federal programmes are trained in our provincial post-secondary institutes, the fact that we have a provincial programme, the fact that we have made substantial increases in the funding, are indications that this government is listening to the royal commission that we set up, Mr. Speaker.

SOME HON. MEMBERS:

Hear, hear!

MR. CALLAN:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Bellevue.

MR. CALLAN:

Mr. Speaker, the minister is aware and knows full well that the \$3 million House study is sitting on the shelf, in many respects, and is wasted tax dollars, just as tax dollars were wasted on the Orsborn Royal Commission Report which recommended that two hospitals on the Burin Peninsula close when the regional hospital opens, and that was thrown out the window as well.

Let me ask the minister, Mr. Speaker, what is he going to do about Recommendation 107? Is the minister prepared to do what it says, 'Both orders of government,' - federal and provincial - 'should co-operate in forming an intergovernmental committee which will design and implement public policies for youth employment and avoid unnecessary duplication of effort'? What has the minister and this administration done about

that?

MR. SPEAKER:

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

MR. POWER:

Mr. Speaker, the Royal Commission that we appointed on this side - because we were legitimately concerned about unemployment problems in Newfoundland and not about playing games we set up the Royal Commission - made two hundred and thirty or forty-odd recommendations. Some of the recommendations the member mentions probably because he does not realize that there are many, many federal - provincial interdepartmental committees that co-operate on developing new programmes for Newfoundland and Labrador, both for youth unemployment and for others. I deal on a regular daily basis with the federal minister, Benoit Bouchard. My staff deals on a daily basis with Mr. Bouchard's staff, in Ottawa and in the Province, to develop programmes that are joint, that are compatible, and that will, as much as is fiscally possible, relieve the unemployment problems of youth or adults in Newfoundland.

MR. SIMMONS:

Mr. Speaker.

MR. SPEAKER:

The hon. the Leader of the Opposition.

MR. SIMMONS:

Mr. Speaker, I found rather useful the discourse on mathematics. If the minister is really preoccupied with the subject he should keep in mind that the youth unemployment rate was 25 per cent when his administration came into power and it is now 40 per cent. That is

the operative math here.

SOME HON. MEMBERS:

Hear, hear!

MR. SIMMONS:

Mr. Speaker, the Parliamentary Secretary to the Minister of Rural, Agricultural and Northern Development (Mr. R. Aylward), the member for Torngat (Mr. Warren), pro tem, stated to the media today - I heard the actual tape of his rather impressive voice on air this morning - it is the ministers who decide who gets the seasonal jobs in this Province.

Now, Mr. Speaker, that we have confirmed what was denied by the Minister of Culture, Recreation and Youth (Mr. Matthews) and by the Minister of Career Development and Advanced Studies, I wonder whether the Acting Premier (Mr. Ottenheimer), in the noticeable absence, understandable today, I believe, but the now prolonged absence of the Premier from the House, answer a question that needs some answering, in view of the statement by the member for Torngat this morning, that it is the ministers who make the decisions on seasonal jobs, decides who get the jobs in this Province, which is a contradiction of what the Minister of Culture, Recreation and Youth has said - I am repeating the question because the minister was preoccupied a moment ago - in view of that, would the Acting Premier now say why this hiring approach of having the ministers make the job decisions is being followed? Would he not agree that such hiring ought to be left to the Public Service Commission and/or the Canada Employment Centers in the interest of fairness?

MR. SPEAKER:

The hon. the Government House Leader.

MR. OTTENHEIMER:

Mr. Speaker, I believe it is government policy that the vast majority of hiring is done through the Provincial Public Service Commission. Then there are programmes with a sort of special orientation, which it is hoped to get going as quickly as possible, programmes with special qualifications, one of which, for example, would be the requirement of a 40 per cent youth component, and necessarily students, but students included therein. And in certain specific programmes, and usually these, or many of them, have a limited duration, government feels that it would get this programme moving and functioning, and people working and receiving pay and all of that process, much more expeditiously by having a specific departmental initiative in that instance. But, I repeat, the vast majority of hiring, maybe 90 per cent - I do not know what per cent - would be through the Public Service Commission.

MR. SIMMONS:

Mr. Speaker.

MR. SPEAKER:

The hon. the Leader of the Opposition.

MR. SIMMONS:

Mr. Speaker, I say to the minister that all - not percentages, unless he wants to talk in terms of 100 per cent - seasonal hirings under the sponsorship of this government are being done not through any Public Service Commission, but, as his colleague, the member for Torngat Mountains said this morning, by individual ministers.

SOME HON. MEMBERS:

Not true.

MR. SIMMONS:

Now, Mr. Speaker, that is not only an unfair system, but it is also very, very partisan. Would he give an undertaking to the House that that highly partisan, highly unfair system will be disconnected forthwith, and that existing mechanisms, such as the Canada Employment Centres will be used? I hear the rationale about the need to expedite, but I submit to him that the Canada Employment Centre can expedite for him. Or failing that, why does he not put it into the hands of some senior people in the departments and remove from it the smell, the stigma of partisanship, which it has acquired because of the current practice?

MR. TULK:

A good question.

MR. OTTENHEIMER:

Mr. Speaker.

MR. SPEAKER:

The hon. the Government House Leader.

MR. OTTENHEIMER:

Mr. Speaker, of course, I would not concur with the premise upon which the hon. the Leader of the Opposition's question is based and that is partisanship of the government in these hiring programmes. So I would not agree with the premise. I would say that in these limited and specific programmes the government's policy of having departmental hiring - and I would not say every department has a minister, so I suppose the department includes the minister and all of the people in it, but it is essentially departmental rather than an

individual minister doing it - the government has found it probably not perfect - I think few systems are - but that it has achieved the objective of expediting these programmes, getting people to work and getting pay cheques into their pockets and getting projects started. So we feel that it has worked quite well.

MR. FLIGHT:  
Mr. Speaker.

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

MR. FLIGHT:  
I have a question for the Minister of Fisheries (Mr. Rideout), Mr. Speaker. Will the minister confirm that there are rivers in Newfoundland open for the sports salmon fishery without river guardians in place, without river guardians being hired, even though the rivers are indeed open, salmon are running, and the rivers are subject to poaching.

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

MR. RIDEOUT:  
The hon. gentleman surely knows that the provincial Department of Fisheries do not supply guardians on rivers in the Province. There is another minister, present in the House, I believe, who has ministerial responsibility for inland waters and recreational fisheries. My plate, to be quite frank with you, Mr. Speaker, is full enough with other problems in the salt water fishery and on the shore. I have not had a chance to worry about the sports salmon fishery, to be quite frank with you.

MR. FLIGHT:

Mr. Speaker.

MR. SPEAKER:  
A supplementary, the hon. the member for Windsor - Buchans.

MR. FLIGHT:  
Mr. Speaker, salmon have a problem in the salt water as well as in the fresh. It was not long ago when the minister curtailed the salmon fishery, shut down the salmon fishery because of his concern for the resource. So, I again put this question to the minister, who I believe does have a responsibility. The very survival of the salmon fishery depends on the protection of the rivers. Either the salmon reach the spawning grounds or there is no salmon in the commercial fishery. Now, poaching is rampant in rivers where there are guardians, the minister well knows what will happen when there are no guardians, so why is the minister turning a blind eye on this? Why is he letting his counterpart, the federal Minister of Fisheries (Mr. Siddon), off the hook - if you will pardon the pun, Mr. Speaker - and why does he not go to his federal counterpart and have that minister ensure that the Newfoundland rivers are fully protected all the time? Or is the minister concerned that this might be another fisheries issue where he would be ignored?

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

MR. RIDEOUT:  
Mr. Speaker, I take no lectures from the hon. gentleman on protecting the interests of the commercial salmon fishermen of this Province. It was only a few weeks ago I went with the union and a committee of salmon fishermen to Ottawa to look for

changes to protect the interests of the commercial salmon fishermen of this Province. It was only a few weeks ago that I announced funding for enhancement on the Exploits River through the provincial Department of Fisheries. I take no lecture from the hon. gentleman, but the fact of the matter is that constitutionally there is another level of government in this country responsible for inland fisheries and river guardians. It is not me. There is another minister in this House who is constitutionally, and under the legal framework of our Province, responsible for answering the question, so let the hon. gentleman direct a question to the minister responsible, who is in this House.

MR. FLIGHT:

A final supplementary, Mr. Speaker.

MR. SPEAKER:

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

MR. FLIGHT:

Mr. Speaker, it seems the Minister of Fisheries wants to slough off what is an obvious responsibility. By the way, he gave an undertaking that he would deal with this last year.

MR. SPEAKER:

Order, please!

MR. FLIGHT:

I want to put my final supplementary to the Minister of Culture, Recreation and Youth. Will the minister confirm that any river that has now got a fish warden, a guardian, will have no guardian protecting it within ten weeks, because all the river guardians are being hired for a period of ten weeks only, and when

they have worked ten weeks they are finished? So any river now that has a guardian in place will have no guardian ten weeks from now. Will the minister confirm that? And while he is confirming that, will he tell us has he got any concerns about the safety of our rivers and about the way that our rivers are going to be abused under this system?

MR. SPEAKER:

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

MR. MATTHEWS:

Yes, Mr. Speaker. I do have concern about the rivers and the salmon resource that is so very, very important for the people of the Province. As my colleague has said, he takes a back seat to no one when it comes to looking out for the fish resource, in this case the salmon fishery, for the people of Newfoundland and Labrador.

Now, with regards to the guardians on the rivers, Mr. Speaker, there has been discussion ongoing for a period of time with the federal government, particularly federal Fisheries and Oceans, which hires the guardians, and so on, on the rivers. We have been talking to the federal government because we are very, very concerned about it. Just a few days ago, in a meeting with the federal Minister of Fisheries (Mr. Siddon), which I attended with my colleague, the Minister of Fisheries, we made these and other points to him. Yes, we are very concerned, Mr. Speaker, that some people are only being hired for ten weeks, but we are trying to address that as best we can.

MR. BAKER:

Mr. Speaker.



MR. SPEAKER:

The hon. the member for Gander.

MR. BAKER:

Thank you, Mr. Speaker.

I have a question for the Minister of Fisheries and it has to do with surveillance in his area. I believe that both he and the federal minister agree that surveillance is one the keys to protecting fish stocks on the Grand Banks.

I would like to ask the minister if on Monday and Monday night, during his trip around Conception Bay aboard the patrol vessel Leonard Cowley, taking this particular vessel off patrol on the Grand Banks and using it for a little pleasure cruise, I wonder if during that pleasure cruise - meeting, cocktail party, whatever it was - did he discuss the importance of 100 per cent surveillance with the federal Minister of Fisheries?

MR. SPEAKER:

The hon. the Minister of Fisheries.

MR. RIDEOUT:

Mr. Speaker, first of all let me say to the hon. gentleman that while the Leonard J. Cowley was patrolling around Conception Bay, a Canadian Forces frigate was replacing her on the Nose and Tail of the Grand Banks, just in case he happened to be concerned.

Secondly, did we discuss surveillance? Yes, Mr. Speaker, because, say whatever you like, when the present administration - and we disagree with them from time to time when we must - took over in Ottawa 40 per cent of the vessels on offshore Newfoundland had observers on them. Today, as

a result of the actions taken by the present government, and in particular by the present minister, 100 per cent of all the vessels, domestic and foreign, in the 200-mile limit off Newfoundland's East Coast have observers on them, 100 per cent against 40 per cent when another administration was in Ottawa, Mr. Speaker. That is real progress.

SOME HON. MEMBERS:

Hear, hear!

MR. BAKER:

A supplementary, Mr. Speaker.

MR. SPEAKER:

A supplementary, the hon. the member for Gander.

MR. BAKER:

I wonder what frigate was taking the place of the Cape Roger, the only other patrol vessel that we had, which at the same time was sitting in dry dock in Nova Scotia. I would like to ask the minister if he also discussed with the federal minister the reason why the Cape Roger was in dry dock in Nova Scotia instead of on dry dock in Newfoundland, where dock workers need the work?

MR. SPEAKER:

The hon. the Minister of Fisheries.

MR. RIDEOUT:

No, Mr. Speaker, I did not ask the Minister of Fisheries that question at all.

MR. SPEAKER:

Order, please!

The time for Oral Questions has elapsed.

At this stage I would like to welcome to the Speaker's gallery Mr. Mickey Devine and Mr. Alan

Thatcher, Vice Presidents of  
Abitibi-Price.

SOME HON. MEMBERS:  
Hear, hear!

### Orders of the Day

MR. OTTENHEIMER:  
Order 4.

On motion, that the House resolve  
itself into Committee of the Whole  
to consider certain bills, Mr.  
Speaker left the Chair.

### Committee of the Whole

MR. CHAIRMAN:  
Order, please!

A bill, "An Act To Establish A  
Community College System In The  
Province." (Bill No. 13)

On motion, clauses 11 through 19,  
carried.

MR. CHAIRMAN:  
Shall clause 20 carry?

MR. FENWICK:  
A point of order, Mr. Chairman.

MR. CHAIRMAN:  
Order, please!

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

MR. FENWICK:  
It is my impression that when we  
adjourned the debate last time the  
amendment I had proposed to one of  
the clauses was up for debate.  
Has that been voted on yet? I am  
sorry. I missed yesterday's  
session, so I am not sure.

AN HON. MEMBER:  
Yesterday was Private Member's Day.

MR. FENWICK:  
I know, so I am pretty sure it was  
not on.

MR. OTTENHEIMER:  
Mr. Speaker, with reference to  
that, we are now on Order 4, Bill  
13. I think the hon. gentleman is  
referring to another bill.

MR. FENWICK:  
No.

MR. OTTENHEIMER:  
The hon. gentleman is referring to  
Bill 13, is he?

MR. FENWICK:  
I thought it was Bill 13.

To the point of order, Mr.  
Chairman. It is my understanding  
that we proposed an amendment to  
one of the clauses in Bill 13,  
asking that an instructor be  
included. It is my understanding  
that the Minister of Career  
Development and Advanced Studies  
had been debating that particular  
amendment at the time we adjourned  
the debate, and I was waiting for  
the vote to be called on that  
particular amendment. If it has  
been called, fine, but I did not  
hear it being called.

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

MR. OTTENHEIMER:  
Mr. Chairman, I am not saying that  
is not the case. I do not  
remember. I recall that there was  
an amendment but I do not recall  
whether it was voted on or not. I  
think the question now is that  
that clause has been passed and we  
are onto an additional clause.  
That was an amendment on an

earlier clause, but I rest in the hands of the Chair on that. I recall there was an amendment. I cannot say that I recall whether it was disposed of or not. I do not know.

MR. FENWICK:  
Mr. Chairman.

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

MR. FENWICK:  
My understanding, Mr. Chairman, is that you would have to call a vote on the amendment prior to going on to the actual clause itself and then onto subsequent clauses. I was waiting for a call and I did not hear one. I just want to know if the Chair disposed of it the last day or not, but I do not believe we voted on it then.

MR. CHAIRMAN:  
To that point of order, we are now checking the minutes.

MR. SIMMONS:  
Mr. Chairman, if I may.

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

MR. SIMMONS:  
I recall what the gentleman from Menihek is saying to be the case, that there was before the Committee an amendment to clause 10 relating to the makeup of the board. Now, it was a clumsy amendment but that is beside the point, I think the intent is understood. If the Chair has inadvertently failed to call the vote on the proposed amendment to clause 10, I suggest we revert to accommodate the gentleman for the purpose of the vote alone. The question had been called, and if we want to go back to take a vote

on the amendment, we here would have no objection to doing that.

MR. CHAIRMAN:  
Order, please!

We will take a short recess, by leave of the House, and we will clear this matter up in just a few minutes.

### Recess

MR. CHAIRMAN:  
Order, please!

On June 15, 1987 the hon. the member for Menihek moved an amendment to clause 10, seconded by the hon. the member for St. John's East. The hon. the member for Menihek spoke on the amendment, as did the hon. the Minister for Career Development and Advanced Studies, and the minister adjourned the debate because time had run out. The amendment has not been voted on. If it is the wish of the House, we will now vote on clause 10.

MR. FENWICK:  
Mr. Chairman.

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

MR. FENWICK:  
What you are saying, then, is that we are at the point where we are discussing the amendment. Is that the ruling? I am trying to figure out where we are at this particular point.

MR. CHAIRMAN:  
The hon. member may speak to the amendment. He has ten minutes.

MR. FENWICK:  
Just to clarify the position, Mr.

Chairman, since the Minister of Career Development and Advanced Studies adjourned the debate, I thought he would have been recognized to then clue it up. So I assume he has adjourned the debate and he has finished his discussion?

MR. CHAIRMAN:

The hon. minister did not ask to be recognized.

MR. FENWICK:

So, we will assume he has finished.

Just a few comments to clue up the particular debate. I think the minister, in his rebuttal to the arguments we made that an instructor should be on the Board of Directors, argued a number of what I thought were particular archaic and, quite frankly, medieval concepts of what should be done in terms of the community college or an educational university of any kind.

To backtrack a bit on the argument, the Bay St. George Community College, which was established in 1975, has, for the last twelve years, had an instructor as a member of its Board of Directors. The instructor, along with one of the students and a selection of individuals from the community, comprise the board which made the decisions about how the college was to operate, and it also made a considerable number of decisions that have affected the welfare of the instructors, themselves.

This House, back in 1975, in its wisdom accepted the idea that instructors should have more than just a master/servant relationship with the institution, and it felt for the good of the institution that an instructor should be on

the board to allow for that kind of input and to make sure that communication was a two way street. It is my experience, from having worked in that institution for a number of years, that that system worked quite well; the instructors in the institution were quite responsible in putting very good people on the Board of Directors and they accepted that as their share in the responsibility and the management of the institution.

Now, the minister has never said that that particular experiment in worker democracy, if we want to put it that way, has been a failure, all he has done is bring out the very rare circumstances where he felt that that instructor may sometimes be in a position where his or her individual course may be affected and, therefore, would be in a position of conflict from the point of view of being an instructor and being a member of the board that may make a decision to either continue the course or discontinue it.

I would suggest to the minister that in that case the individual being in a conflict of interest, just as any other board member in a conflict of interest, would then have to withdraw from the decision that was to be made. In other words, they would say, 'That is my course you are talking about. Obviously I am in a conflict of interest position here, I will excuse myself while the matter is being debated by the board. If that is the only argument the minister can come up with for discontinuing what has otherwise been a very positive practice, then I would suggest it is not a very good argument at all and I would anticipate that the minister would then bring up other

arguments he may have as to why this change should be made.

Mr. Chairman, we are talking about setting up five new community colleges, we are talking about a major new experiment in terms of the educational institutions of our Province, we are talking about tremendous new initiatives that hopefully will propel our vocational system, our post-secondary system into the twentieth century in such a way that these are strong credible institutions that do the job of educating our young people so that they can receive employment, and I think it is a shame if the minister himself, through some mysterious fear that instructors will contaminate the Board of Directors for making decisions in the best interest of a community as a whole, and the students, should insist on the instructors not being part of the Board of Directors.

I think it is time for him to revise his thinking, to bring himself into the Twentieth Century and just look at the university, which has that model and has that concept, and to say, Yes, this is a sensible and a reasonable thing to do and, therefore, vote for our amendment which I think will strengthen considerably the boards themselves and, thereby, the community colleges that are being established.

I urge all members in the House to vote for the amendment.

MR. CHAIRMAN:

Shall Clause 10 carry?

SOME HON. MEMBERS:

Go away! Sit down!

MR. CHAIRMAN:

Order, please!

AN HON. MEMBER:

He is asking for a division, Mr. Chairman. He cannot, can he?

MR. WINDSOR:

No division, Mr. Chairman. The motion is carried.

MR. CHAIRMAN:

The motion is carried.

Shall Clause 10 carry?

MR. FENWICK:

Division.

AN HON. MEMBER:

You only have two.

AN HON. MEMBER:

You have to have three.

MR. CHAIRMAN:

Order, please!

Shall Clause 10 carry?

SOME HON. MEMBERS:

Carried.

On motion, Clause 10 carried.

MR. CHAIRMAN:

Shall Clause 11 carry?

Just for clarification, Clauses 11 through 19 have already been carried and voted on. We are going to move to Clause 20.

On motion, Clauses 20 through 32 carried.

On motion, enacting clause, carried.

MR. CHAIRMAN:

Shall the title carry?

MR. BARRY:

Mr. Chairman.

MR. CHAIRMAN:

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

MR. BARRY:

Before you carry the title, I want to ask the minister, in terms of the boards of these community colleges, how are they selected? The point has been made before in the House and I think the minister accepted it with some degree of approval that there should be local community involvement more so than having the appointments made from the community by the minister. I was wondering if the minister could indicate where his thinking lies? At what point in time are we going to see the election of community college boards as, I understand, is the trend in other parts of the world where they have community colleges? Because these are not community colleges if they are going to end up as institutions where the boards are appointed by government.

MR. POWER:

Mr. Chairman.

MR. CHAIRMAN:

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

MR. POWER:

Thank you, Mr. Chairman.

Just a point on that. Basically, all the Boards of Governors, for the sake of being expeditious if nothing else, are now appointed by the Lieutenant-Governor in Council. We are more than happy to take recommendations from any community sponsored group, such as a town council, or a rural development association, or any active organization, in the community, or any individual, for that matter.

In effect, many of the advisory committees that we put in place were as a result of recommendations which came from those sources. For this, in order to get the Boards of Governors in place, in order to get the community colleges established, we will be appointing the Boards of Governors. I would envisage that before the next round of boards have to be appointed, three years from now, we will be into a stage where we will be quite capable of having elections for those types of boards. Whether there will be a full board elected or partial boards, I am not really sure yet, but I certainly have no personal hesitancy in saying that I favour having the full boards elected. They are community colleges and, as we have done in Newfoundland with progressive modes, like we have done with the school boards where, I think, 75 per cent are now being elected, I would like to also see having 100 per cent elected for community college boards in the not too distant future.

On motion, title carried.

Motion, that the Committee report having passed Bill No. 13 without amendment, carried.

MR. OTTENHEIMER:

Order 5. Bill 12.

A bill, "An Act Respecting The Establishment And Operation Of The Institute Of Fisheries And Marine Technology, The Fisher Institute Of Applied Arts And Technology And The Cabot Institute Of Applied Arts And Technology." (Bill No. 12)

On motion, Clauses 1 through 10, carried.

MR. CHAIRMAN:  
Shall Clause 11 carry?

MR. OTTENHEIMER:  
Mr. Chairman.

MR. CHAIRMAN:  
Order, please!

The hon. the President of the Council.

MR. OTTENHEIMER:  
With respect to Clause 11 - and I think hon. gentlemen on the other side have a copy - there is an amendment which I would propose on behalf of the minister who introduced the bill. The purpose of it is to clarify the structure and composition of the board and the amendment is as such:

I move that Clause 11 of Bill No. 12 be amended by striking out subclauses (2), (3) and (7) and by substituting the following: (2) A Board of Governors of an institute continued as a corporation under this section shall consist of not more than eleven members appointed by the Lieutenant-Governor in Council. (3) The Lieutenant-Governor in Council shall designate one of the members as chairperson and one as vice-chairperson. Subclause (7) A board shall also include one member appointed by the minister who shall (a) be a full-time student of the Institute nominated by the executive body of the student association of that Institute, and (b) hold office for a one year period only.

MR. FENWICK:  
Mr. Chairman.

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

MR. FENWICK:

Mr. Chairman, obviously the same principle that would apply to the community colleges should apply to the Board of Directors of the institutions as well. I find it lamentable that the minister has not seen fit to put it in there. I still argue that an instructor on the Board of Directors is a desirable thing, and I think it would have been a good idea for the Fisher Institute, the Cabot Institute, and the Institute of Fisheries and Marine Technology to also have instructors on them.

I am not going to propose an amendment, because I think it is somewhat of a futile exercise given the events of the last ten minutes. However, I would still like to put on the record our objections to the fact that there is no instructor on the Board of Directors of these institutions.

MR. SIMMONS:  
Mr. Chairman.

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

MR. SIMMONS:  
Mr. Chairman, perhaps the minister in moving the amendment could tell us what the change is insofar as Clauses 3 and 7 are concerned.

MR. OTTENHEIMER:  
Clauses 3 and 7 are the same, I think.

MR. TULK:  
It does not make any sense.

MR. SIMMONS:  
You pull them out and put them right back in. I just wondered if there was something we were missing.

MR. OTTENHEIMER:

On conferring with the legislative draftspeople, it is a question of the verbs, 'designate' and 'appoint'. Apparently there were both words, 'designate' and 'appoint'.

MR. SIMMONS:

I can see the change insofar as what you have done in sub (2), which is move from the old (3) 'the appointment by the Lieutenant-Governor in Council' to the new (2). Right?

MR. OTTENHEIMER:

Yes.

MR. SIMMONS:

The phrase, 'appointed by the Lieutenant-Governor in Council', is now in the new sub (2), and that necessitated repeating Clause 3 without that phrase. I still do not see what the difference is in sub (7).

MR. OTTENHEIMER:

Well, in sub (3), of course, there is a difference.

MR. SIMMONS:

That is what I say.

MR. OTTENHEIMER:

It is changing 'appoint' to 'designate'. The old one: 'the Lieutenant-Governor shall appoint the members of the board and shall designate one of them as Chairperson'. The new one says, 'the Lieutenant-Governor in Council shall designate one of them.' I suppose in terms of legislative drafting it is neater.

On motion, amendment carried.

On motion, clause 11 as amended, carried.

On motion, clauses 12 through to 32, carried.

Motion, that the Committee report having passed Bill No. 12 with amendment, carried.

MR. OTTENHEIMER:

Order 6. Bill No. 39.

A bill, "An Act To Amend The Memorial University (Pensions) Act." (Bill No. 39)

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

MR. OTTENHEIMER:

Order 7. Bill No. 27.

A bill, "An Act To Amend The Financial Administrations Act, 1973." (Bill No. 27)

On motion clause 1, carried.

MR. CHAIRMAN:

Shall clause 2 carry?

MR. LUSH:

Mr. Chairman.

MR. CHAIRMAN:

Order, please!

The hon the member for Bonavista North.

MR. LUSH:

Mr. Chairman, previously we expressed our concern with clause 2 of this particular bill, stating in the main that we thought that this particular measure gave the government too much power, it was too extensive in its scope, that it indeed nullifies section 30 of the Financial Administration Act which clearly lays out how the government might transact its business with respect to the purchase of goods and services and work rendered.

We believe this particular clause



wipes out, nullifies all of the checks and balances, and all the protection of the public purse given under section 30. This particular clause allows the government to do just about anything they wish with respect to work being performed for the public service.

Mr. Chairman, we are not talking about peanuts here. For example, this particular clause would allow the government to do the very thing that the Auditor General criticized them for in this year's report of the Public Accounts when he criticized the government for prepaying somewhere close to \$3 million for asphalt without these goods being provided, without the asphalt being received, in this particular case, and this is only one of the number of abuses that can take place if we were to allow the passage of that particular section today. It allows the government to do all kinds of things outside of the provisions, outside of the checks and balances given under Section 30 of the Financial Administration Act. That is why we are afraid of this particular section, Mr. Chairman, it allows for all kinds of abuse and it is certainly not necessary. The minister mentions that it is to take care of petty cash. Well, again, if that is what is necessary, the minister should have specified that in the bill.

Mr. Chairman, \$3 million is not petty cash. It is not petty cash, so it opens up the way for all kinds of abuse; it allows the government to circumvent the Financial Administration Act in just about any way they see fit to do so.

Mr. Chairman, I want to introduce

an amendment which is as follows: To move the deletion of Section 2 of this particular bill entirely. I have copies for the Minister of Finance and Mr. Fenwick.

MR. CHAIRMAN:  
Order, please!

Beauchesne, Standing Order 773, Clause 6 states: "An amendment to delete a clause is not in order, as the proper course is to vote against the clause standing part of the bill."

I will have to rule that the amendment is not in order.

MR. TULK:  
Which one?

MR. CHAIRMAN:  
Standing Order 773, Clause 6.

The hon. the member for Gander.

MR. BAKER:  
Thank you very much, Mr. Chairman.

I would like to make a few very brief comments on clause 2 of this particular bill, and I would like to speak through you, Mr. Chairman, directly to the Minister of Finance and ask him, as I did a couple of days ago, if he would consider withdrawing this particular section himself, seeing that the amendment is not in order and we would have to go through a voting procedure which, obviously, we, on this side of the House, cannot hope to win.

And the reason is very simply this, that I really cannot see for the life of me why it is necessary for the government to circumvent Section 30 of the Financial Administration Act. I do not understand why a notwithstanding clause has to be put in there

which effectively circumvents clause 30, because clause 30, as the minister knows, contains all of the safeguards that have to be there to ensure that proper authorization is given for the spending of money.

Now, the minister, in reply to me a couple of days ago, said that in here they say 'subject to the regulations', and that, in fact, new regulations are going to be made to ensure this particular bill also has safeguards. I would say to the minister it would be totally and completely irresponsible for me to vote for a bill that negates Clause 30 of the Financial Administration Act without first knowing what regulations are going to be in place that would apply to this particular section we are talking about now. It would be totally and completely irresponsible of me, or of anybody on this side to support Section 2 of this bill without knowing what the regulations are going to be that are going to govern that section. Mr. Chairman, without those regulations, this gives a carte blanche to government, it gives almost a blank cheque, to totally ignore very essential safeguards in the Financial Administration Act.

I would appeal to the minister on the basis of common sense. Does he not realize that we could not possibly support this unless we knew what the regulations were and that he should not put forward this particular bill unless he comes forward with the regulations? Who knows! What if this bill passes now, there is an election tomorrow, a new government get in there, and there is a new Minister of Finance who is not as responsible as the

present Minister of Finance maybe, and he gets in there and then, all of a sudden, he says, 'I do not have to follow Section 30 of the Financial Administration Act'?

So I would appeal to the minister to voluntarily withdraw this particular section or to table the regulations that govern this section before we vote on it.

Thank you, Mr. Chairman.

DR. COLLINS:  
Mr. Speaker.

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

DR. COLLINS:  
Mr. Speaker, I had grave doubts until the hon. member mentioned that there might be a Finance Minister other than myself and a vision came to my mind, 'My God, we might have a Liberal Finance Minister at some future date, a couple of centuries from now, and he certainly might do something that he should not do.' So I really do have to respond in a very serious way to the member because of that remark.

I think we have to understand a couple of things. Firstly, Section 33 is presently there for petty cash purposes and it is there for petty cash purposes limited only to travel expenses. Now, this amendment is an amendment to that act to expand that petty cash approach to something other than the travelling expenses, and it is going to be done under regulations which will limit the availability of this for expenditures.

I have no problem telling the hon. member what regulations we intend to put into effect. Incidentally,

we could not put them into effect until the amendment was brought in because you cannot bring in regulations until there is a section for the regulations to apply to.

We intend to have the Comptroller General authorize the making of such an advance in respect of payments where prompt expenditure must be made and the normal payment facilities are not practical or immediately available. So the Comptroller General is limited to that extent. There has to be prompt payment. You cannot go through the usual rigamarole. He has to satisfy himself that prompt payment is required. And, secondly, that it is not practical to go through the other way or the means of going through the more elaborate way of confirmation is not available.

Secondly, this will only be done if, in the opinion of the deputy minister, the advance is of such a nature as can reasonably expect to cover just that expenditure. It cannot be more than that. The deputy minister is charged with the responsibility of asking for an advance that is only reasonable for this prompt expenditure that must be met.

Finally, notwithstanding anything else, no advance may exceed \$1,000. Covering the whole thing, despite those other restrictions, there is another restriction saying that no advance can exceed \$1,000. So it is quite clear that this is petty cash we are talking about. The regulations will have these limitations on them. So the fears that the hon. member for Bonavista North (Mr. Lush) and the hon. member for Gander (Mr. Baker) have, I think were legitimate to

bring up. I have no problem with that. However, I think our regulations will confine this to the petty cash situation.

There is a petty cash provision in that act now, but it is too limited. It is just for travel. I think everyone can realize that if you are trying to run anything, you have to have a petty cash account for the incidentals and incidentals are not only limited to travel. So I can assure hon. members, this is just for petty cash. I think it is a reasonable thing to do and the regulations are quite clear on it.

MR. SIMMONS:  
Mr. Chairman.

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

MR. SIMMONS:  
Just a quick word because I hear what the minister is saying, and it is all very well meaning, but I want to refer him to another set of events under the predecessor administration of Premier Moores and show him what not only can happen but did happen in similar circumstances. Then I want to make a suggestion to him which might accommodate the situation.

I take him back to the Public Tender Act of 1974 brought in by the Moores Administration in which we were given great assurances by the then sponsoring minister, Mr. Marshall, that with the appropriate detailed regulations, there could be no abuse.

In 1976 there was a fire at the Fisheries College. The day after the fire, a government fire inspector certified that the amount of damage was of the order

of \$28,000 to \$30,000. That was the limit of it, about \$30,000. Three years later government paid out to one contractor alone \$576,000 in respect of that fire. It was done under a mechanism not unlike the one here where there were to be work orders not exceeding \$10,000 each at the time. Through a series of work orders, multiple work orders to the same contractor, thereby avoiding the public tender call, thereby leaving the effective decision as to who got the work to the discretion of a middle level bureaucrat, a mechanism similar to the one here was utilized, I say, abused, as was subsequently found by the Mahoney Inquiry and some court proceedings. It was abused to the extent that was never intended by the legislation.

Mr. Chairman, we understand the minister is well-intentioned and he has given his undertaking to the House about the \$1,000 limit. He has heard the concern of the member for Bonavista North (Mr. Lush) and the member for Gander (Mr. Baker). He can accommodate that concern because he will not always be there, and there will be a time when another minister will be in charge, but more to the point, there will be a time when those regulations might get changed because those regulations, which now have \$1,000 limit, do not come back to this House.

So if the minister is correct in saying that the intent is in terms of petty cash only and that the proposed regulation will have a \$1,000 ceiling, why does he not follow the suggestion given earlier by my friend for Gander and write into the legislation, write into this clause here, why does he not write a dollar limit into it, whether \$1,000 or

\$2,000? Why does he not write in a reasonable dollar limit, instead of leaving that to the discretion of the regulation drafters and instead of allowing it to be put in the regulations which could be changed without reference to this House?

I say to the minister, if he would accommodate that particular suggestion, we could then consider supporting his Section 2 here. Our concern is the possible abuse of the new powers being given under Section 2.

MR. BAKER:  
Mr. Chairman.

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

MR. BAKER:  
Thank you, Mr. Chairman.

I would also like to point out to the minister that some of the wording that he used in the regulations, for instance, 'prompt payment required', and so on, seems to me one way to get around having very slow payment, because there are cases where government has a reputation for being slow paying bills that come in and so on. One way to get around that is to streamline and speed up the certification process, and perhaps he would be better advised to go to work on the certification process itself rather than put something in here which he says is petty cash. The \$1,000 limit is fine as far as I am concerned, but there is another way to get prompt payment other than totally short-circuiting the process, and that is to speed up the process. So I would just like to make that one additional point.

DR. COLLINS:

Mr. Chairman.

MR. CHAIRMAN:

The hon. the Minister of Finance.

DR. COLLINS:

Mr. Chairman, I hesitate to bring this up, and I do not do it in any confrontational way, but strictly speaking what seems to be being debated now is the principle of this bill, and we are now in third reading not in second reading. I just had to bring that point out. The reason why, Mr. Chairman, we do not put a dollar figure in there is that, as everyone knows, inflation is a fact of life. So perhaps it is going to be reasonable now to make it \$1,500 and the only way we can do that is to come back and get an amendment in the House. So these sorts of things usually are accommodated in regulations, and regulations have to be tabled in this House, so there is nothing secret about them. There will be no, shall we say, ballooning of that dollar amount without members of this House knowing about it, because any change in the regulations will be tabled here.

If hon. members are really concerned about this, I suggest they could bring these concerns up next year. We will be sitting here again next year, and if there is real abuse from this point, hon. members can bring forward some evidence of that abuse, either in this House or to me privately, and I give them an assurance that if there is a legitimate reason to further amend this clause of this act, we will certainly do it. But, as it is, we think that this is a totally reasonable way to go, and the regulations give all the assurance that is necessary at this stage in the absence of demonstrated

nonworkability or abuse of the thing. So we really cannot accommodate the Opposition on this because we feel that it would be unreasonable for us to do so, and we are reasonable people. So, if we have to come to vote, I guess we will have to come to a vote.

MR. BAKER:

Mr. Chairman.

MR. CHAIRMAN:

The hon. the member for Gander.

MR. BAKER:

Thank you, Mr. Chairman.

I am not an expert in legislation, let me say first, however, it seems to me that it would be nice if we could draft legislation and leave it so wide open as to be able to say, Well, there will be no abuse because we trust what is going to happen. It seems to me that when legislation is designed it should be designed in such a way as to avoid that possibility.

This is the point I am making: If it does open up a possibility of abuse, if it does open up the scenario that the Leader of the Opposition suggested, if it does open up that possibility of abuse, then perhaps we should not do it, then perhaps we should go back and say, All right, before a payment is made there has to be the proper certification: we have to have documents saying that the goods are received, or the services have been rendered satisfactorily, and it has to go through the whole process. Maybe we should go back to that and say, No, expenditures of money like this have to properly certified and if it takes a few days too long, then we will do our best to speed up the process. It seems to me that the minister is saying we have to have

some trust here, we should wait and we will do this, and if there is any abuse a year or two down the road, the Auditor General will pick it up, or members on this side will pick it up, or whatever, it will be picked up and then the changes will be made.

My experience in that, of course, I would say to you, Mr. Chairman, is that once we get into a confrontational situation after something is done, then what we have is cover-up and denial and all this kind of thing. So it is not as easy to get at then. I would suggest to the hon. minister that it is still better to not have the possibility there, it is still better if we left clause 30 of the Financial Administration Act operative.

MR. CHAIRMAN:  
Shall clause 2 carry?

SOME HON. MEMBERS:  
Carried.

MR. CHAIRMAN:  
Shall clause 3 carry?

SOME HON. MEMBERS:  
Carried.

MR. TULK:  
Division on clause 2, Mr. Chairman.

MR. CHAIRMAN:  
Shall clause 4 carry?

MR. TULK:  
Division on clause 2, Mr. Chairman.

MR. CHAIRMAN:  
Division. Call in the members.

Division

MR. CHAIRMAN:

All those in favour of Clause 2 please stand:

The hon. the Premier, the hon. the Minister of Justice (Ms Verge), the hon. the Minister of Health (Dr. Twomey), the hon. the Minister of Fisheries (Mr. Rideout), the hon. the Minister of Mines (Mr. Dinn), the hon. the Minister of Consumer Affairs and Communications (Mr. Russell), the hon. the President of the Council and Minister of Energy (Mr. Ottenheimer), the hon. the Minister of Finance (Dr. Collins), the hon. the Minister of Forest Resources and Lands (Mr. Simms), the hon. the President of Treasury Board (Mr. Windsor), the hon. the Minister of Public Works and Services (Mr. Young), the hon. the Minister of Culture, Recreation and Youth (Mr. Matthews), the hon. the Minister of the Environment (Mr. Butt), the hon. the Minister of Municipal Affairs (Mr. Doyle), the hon. the Minister of Rural, Agricultural and Northern Development (Mr. R. Aylward), the hon. the Minister of Social Services (Mr. Brett), the hon. the Minister of Development and Tourism (Mr. Barrett), Mr. Baird, Mr. Patterson, Mr. J. Carter, Mr. Tobin, Mr. Peach, Mr. Parsons, Mr. Woodford.

MR. CHAIRMAN:  
All those against clause 2 please stand:

The hon. the Leader of the Opposition (Mr. Simmons), Mr. Hiscock, Mr. Flight, Mr. Tulk, Mr. Barry, Mr. Kelland, Mr. Lush, Mr. W. Carter, Mr. Gilbert, Mr. K. Aylward, Mr. Efford, Mr. Baker, Mr. Furey, Mr. Kelland, Mr. Decker, Mr. Fenwick, Mr. Long.

MR. CHAIRMAN:  
We have twenty-four in favour of

clause 2 and seventeen against.  
The clause is carried.

On motion, clause 2, carried.

On motion, clauses 3 and 4,  
carried.

Motion, that the Committee report  
having passed Bill No. 27 without  
amendment, carried.

MR. OTTENHEIMER:  
Order 8. Bill No. 38.

A bill, "An Act To Amend The  
Corporations Act". (Bill No. 38).

On motion clauses 1 through 34,  
carried.

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

MR. OTTENHEIMER:  
Order 9 Bill No. 37

A bill, "An Act To Amend The  
Department Of Rural, Agricultural  
And Northern Development Act."  
(Bill No. 37)

On motion, clause 1, carried.

MR. CHAIRMAN:  
Shall clause 2 carry?

MR. KELLAND:  
Mr. Chairman.

MR. CHAIRMAN:  
Order, please!

The hon. the member for Naskaupi.

MR. KELLAND:  
Thank you, Mr. Chairman.

I want a few minutes on this  
particular bill, Mr. Chairman,  
because of the impact it will have  
and the stated purpose of the

minister when he introduced the  
particular bill to expedite the  
operations of the Rural  
Development Authority and to make  
it more efficient. There are many  
parts of the bill which I see the  
sense of and can support, but  
there are also parts which concern  
me.

I gave notice yesterday I would be  
introducing an amendment, or  
amendments, but I have decided,  
Mr. Chairman, to perhaps take a  
different approach, to discuss  
this in committee and perhaps call  
upon the good sense of the  
minister to consider a suggestion  
or two that I am about to make to  
him. I particularly refer to  
subsection 3 of that particular  
clause, where the bill speaks of  
the membership of the authority.

Mr. Chairman, as members will see,  
there are two paragraphs which  
outline the membership. Paragraph  
(b), of course, indicates that not  
less than three and not more than  
five be appointed by the  
Lieutenant Governor in Council to  
hold office during pleasure. Now,  
whereas that is intended, I would  
guess, to be representative of the  
Province and areas of the  
Province, and areas of concern of  
the Province and not just  
geographic, to ensure that all  
applications to the Rural  
Authority are given just and fair  
consideration as to their merits  
and whether or not they will  
receive funding, it strikes me  
that there is an opportunity here  
for the Minister of Rural,  
Agricultural and Northern  
Development to indicate to the  
House of Assembly and to the  
Province, and to those people  
interested in rural development,  
he has an opportunity here to  
allow the greatest possible input  
into the decisions taken by the

authority. The public perception, Mr. Chairman, of the Rural Development Authority, as is the case with many other boards and so on set up by government, and appointments made by government, is that this is just another vehicle by which political friends can be rewarded.

Now, I am not particularly saying that that is my perception necessarily or the perception of the official Opposition, but the public perception is that here is an opportunity for the government to reward those people in our Province who support them politically and partisanly. Now, if that is the public perception, and I am sure the minister and other members of the House have heard that particular view expressed and they have received complaints that that is the case, the minister does, if he would consider my suggestion, have the opportunity to do something about that and to show, in fact, that, as he claims, the Rural Development Authority is not an organization or a board set up by government to reward political friends only, but, indeed, is set up to further enhance and make possible rural development in our Province.

The amendment that I had intended to propose for this bill was that the minister and the government would consider appointing, or having appointed by the Lieutenant Governor in Council, a member of the official Opposition to sit on that board. Had I proceeded along those lines, I would have provided the wording to make that amendment to the bill appropriate.

However, in consideration and after discussion with my colleagues, I have decided upon a

different approach.

I will put this suggestion to the Minister of Rural, Agricultural and Northern Development (Mr. Aylward). Even without amendment of his bill, it is possible, I believe, to follow this suggestion. Would he consider arranging it so that a member of the official Opposition could serve as a member of the Rural Development Authority Board?

The minister and the government are concerned about what the public perception is, and they certainly have to be concerned about what the public perception is. Forgetting all other considerations, to appoint a member of the official Opposition to the board would take away from the criticism that it is a closed shop put in place to reward political friends. It would allow input. We are also duly elected members of the House of Assembly who should have input into every action, every expenditure of public money in this Province. This would provide a vehicle for that to be accomplished as well.

If, Mr. Chairman, the minister and other hon. members of this House believe or want us to believe that there is absolutely no possibility at all of, to use a bit of hackney phrase, hanky panky or political reward, let me lay on him a situation that might be considered hypothetical or may not be hypothetical, but to give you a possible example.

Let us say a political friend and supporter of the government operates a business somewhere in the rural part of our Province. Let us say a particular businessperson, who, for argument's sake, is in the



building supplies business, gets himself appointed, through his friendship with the minister and members of government, to the Rural Development Authority. He is in a position to help in the decisions as to who gets funding under the Authority.

Let us say there are a number of applications for proposals for rural development which would require a considerable amount of building supplies in order to carry out the project. Now, the businessman I first mentioned is sitting on the Authority and he assists in making a decision to approve some of these applications. He can then go back to his rural community and offer credit - he may have even pre-arranged credit - to the successful applicant in getting, let us say, \$50,000 worth of building supplies to carry out his rural development project.

The businessman who has applied might respond and say, 'Well, there is a little doubt about whether or not I am going to get enough money to carry out this project.' The member of the board appointed by the minister and the government says, 'But there will be no problem with that, I will make sure you get the money', or 'I have already made sure you will get the money', and he allows that successful applicant to draw down credit with him before any other supplier of that particular type of material has an opportunity to even discuss the matter with the man who has the application before the Rural Development Authority. He guarantees a \$50,000 sale for himself or some other figure, \$50,000 is purely an example figure.

To me that is a totally unfair

and, to be quite frank, a totally corrupt method. Within the public perception, that is not just a hypothetical statement. The people out there in rural Newfoundland and Labrador believe that that is what is happening. They believe it.

In fact, every single minister and member of this House, whether they are on the government side or on the Opposition side of the House, has heard that. I would challenge the Minister of Rural, Agricultural and Northern Development (Mr. R. Aylward) to get up in the House and deny, for example, that he has heard that the Rural Development Authority has been used to provide political plum.

MR. BUTT:

I never heard such a complaint.

MR. KELLAND:

The Minister of the Environment (Mr. Butt) indicates that he has never heard such a complaint. I suppose it is only to be expected because the Minister of the Environment very infrequently hears anything of importance in the Province.

SOME HON. MEMBERS:

Hear, hear!

SOME HON. MEMBERS:

Oh, oh!

MR. CHAIRMAN:

The hon. the member's time has elapsed.

SOME HON. MEMBERS:

By leave! By leave!

MR. CHAIRMAN:

By leave.

MR. KELLAND:

May I?

MR. CHAIRMAN:

You may continue.

MR. KELLAND:

Thank you, Mr. Chairman.

Yes, the hon. the Minister of the Environment is somewhat of a heckler of note, not in the class of some of the others, of course, but perhaps he would not want to descend to that level anyway.

To just clue up, Mr. Chairman, I appreciate the leave. I really believe that the minister here has an opportunity. He will have a chance to stand and respond to this. I ask him if he will consider having appointed to the Rural Development Authority a member of the Official Opposition to sit on a regular basis along with the other members of the Board, have input, and have some say in the decision-making of the Rural Development Authority to remove all or a considerable number of the complaints about it being an organization set up to reward the friends of the government. If he would consider doing that, the Minister of Rural, Agricultural and Northern Development, besides his many other attributes, would in all likelihood go down in history as the first. The minister indicates he will probably go down amongst his colleagues a lot quicker. However, he would go down in history as an extremely courageous and innovative minister.

The question is, of course, even though he would obviously have to admit that my suggestion is a logical one, one that makes sense, one that would give indication that his department is straight and above board and deals with all

rural applications in a fair and equitable manner no matter what your partisan believes are, no matter what the believes of the applicants are, he would have to admit that that would remove a lot of the doubt that exists in the minds of the rural people of Newfoundland and Labrador.

AN HON. MEMBER:

They need it.

MR. KELLAND:

Yes, of course, exactly. The minister publicly stated that the whole idea of the Rural Development Authority is to insure and help and facilitate rural development in our Province. It does not say a means by which we can facilitate the aims and objectives of our political friends and reward them for services rendered.

Mr. Chairman, I would like to challenge the minister to rise in his place, give consideration to the suggestion and go down in history as the most innovative and perhaps, knowing the context of the government, the most courageous minister I have seen in the House of Assembly.

Thank you, Mr. Chairman.

SOME HON. MEMBERS:

Hear, hear!

MR. R. AYLWARD:

Mr. Chairman.

MR. CHAIRMAN:

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

MR. R. AYLWARD:

If I did that, Mr. Chairman, I guess one consultation is that I would not be scalped for it, maybe.

Mr. Chairman, the hon. member asked me a fairly pointed question. He tries to leave the impression that it is a widespread feeling around the Province that the Rural Development Authority is there to give political favours for people looking for loans, Mr. Chairman. He asked me if I heard it before. Now, I must admit, yes, I have heard it. I have heard it on two separate occasions or from two separate groups.

One was in the committee system of this House when the hon. member brought it up before, he did mention it, and the other only time as minister away from the House of Assembly that I have heard it - and it is ironic the way it did happen and I cannot be too specific about the person who said it to me but if I did the hon. member would know - the only way it was put to me that the Rural Development Authority was being political is that we are afraid to refuse the Liberals while the Tories, in a certain area, cannot get any money. That is an actual fact. As a matter of fact, it was in a Labrador region.

Mr. Chairman, the members of the Rural Development Authority include three ministers, not three MHAs or three individual people. There are three ministers, whoever happens to be minister of a department at a certain time, Rural Development, Forestry and Fisheries. The main reason for this originally is because we dealt with a resource loan board. This has been expanded somewhat now but that was the initial reason for it.

The other people on the board represent private business people or private individuals or

different interests throughout the Province, one of whom lives in Gander. He is involved with the Rural Development Association or council which gives a broad outlook on the Rural Development side of it. There is a woman from the Bay of Islands - Corner Brook area. She is a nurse, I believe by profession, but gives a specific flavour to the board. There is a businessperson involved in crafts from the Clarenville area which gives another perspective on the board and there is an accountant from the Central Newfoundland area on it who give some business expertise to the board.

The loans are not approved lightly, Mr. Chairman, and that can be borne out by the success rate of paybacks that the board has. On our Sawmill Assistance Programme, they get good scrutiny and our Sawmill Assistance Programme has something like over a 90 per cent pay back to that. So, if there were allegations of just political payoffs, Mr. Chairman, you would not get such a success rate.

The loans are considered very seriously. There is a very serious review done of staff within the Department of Rural Development. There is a business division of our department, Mr. Chairman, that goes over this very thoroughly and they will give some recommendations to us on the viability. We deal in tourism applications with the Department of Development and the Tourism Advisory Board; in Fisheries we deal with a Fisheries Advisory Committee; in Forestry we have a Forestry Advisory Committee to give us advice as board members because we might not be experts in specific details.

This is how the applications are approved, not on a political basis. I do not know the politics of the people on the board except three members I could probably guess, the three ministers. The people are put on the board for specific reasons, to represent all around the Province and either to represent a business flavour or a craft flavour or a tourism flavour, most of the things that we do deal with, Mr. Chairman.

The hon. the Leader of the Opposition (Mr. Simmons) mentioned the explanatory notes of the bill the other day when he spoke and I think the Minister of Justice (Ms Verge) explained it. These explanatory notes are put on their by the Legislative Counsel. It has nothing to do with the minister. What he has explained here is the intention of this act to create a fund so the Rural Development Authority can be more efficient. Most of the changes there, Mr. Chairman, are the same as are in the other parts of our act, with a couple of small clarifications. One is that a certain amount of people would constitute a quorum, Mr. Chairman.

I think I have answered most of the hon. member's questions.

MR. KELLAND:

Mr. Chairman.

MR. CHAIRMAN:

The hon. the member for Naskaupi.

MR. KELLAND:

Thank you, Mr. Chairman.

I do not think the minister answered my main question, whether or not he would consider appointing a member of the official Opposition to the board to keep it honest, I suppose we

could use that term.

A few other things occurred to me when I was listening to the minister trying to explain his position on this. I would suggest to him that if he has only heard the complaint about political plums and political patronage twice since he has been minister, then he does not listen very closely to what the people in rural Newfoundland and Labrador are saying. I have only been a member for two years and I have heard it many, many more times than that, and in districts which would surprise the minister, and by people who would also surprise the minister.

However, just recently in the House, Mr. Chairman, the minister made a Ministerial Statement in which he outlined that sixty-seven applications had recently been approved for rural development funding under the Authority. At that time I raised some questions with him in my response on whether or not he would provide a detailed list of those approved applications. I would like to see, as the critic for his department, a detailed list which would include the names, addresses, and/or locations, and the description of the project.

Now, if we are to be a responsible Opposition reviewing what the government is doing and making constructive criticism and suggestions, then that sort of information should be in our hands. So, this would be the second time I have asked him. Would the minister also provide a detailed list of all applications, those that were turned down, which would include the names, the addresses, and/or locations, and the project descriptions. Why

not? Why would he not? I am asking him again if he will do that.

I am interested in his comments about a good record of payback. He uses that as an argument to indicate that there could be no political patronage or political reward.

MR. R. AYLWARD:  
I did not say that.

MR. KELLAND:  
The minister suggests he did not say that. He implied that.

MR. R. AYLWARD:  
I did not imply it either.

MR. KELLAND:  
The minister implied, I believe, that because there is such a good record of payback, it would make it very unlikely that patronage could be involved here. In other words, what the minister said, Mr. Chairman, is that if he used the Rural Development Authority to reward his Tory friends or political friends, the payback might not be as great as it is right now.

So I would have to ask the minister, is he saying, if that were the case, Tories are not responsible people in the Province? If you carried out his implication to its logical conclusion, that is exactly what he was saying there. He can confirm that one way or the other.

On the positive side of the bill, Mr. Chairman, and there are many positive sides, we could say putting the non-revolving fund directly to the Authority is a good move. I believe that that will expedite getting the funding out to those who have had their

applications approved. There are other parts as well which I will not go into. There may be other members who wish to discuss this at this stage, Mr. Chairman.

Thank you very much.

MR. R. AYLWARD:  
Mr. Chairman.

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

MR. R. AYLWARD:  
One very brief comment. I left an inference that because of the success rate it showed there was no political patronage. The message I was trying to convey was that because of the successful pay-back of most of our programmes, it shows that they get very good scrutiny through the department; the recommendations are logical, they come from advisory committees we have throughout the public system, and they are dealt with on a business basis, not on any other basis. I do not care about political parties or anything. That is the impression I tried to leave, that because of a good pay-back, they are dealt with strictly on a business basis. And it is a good loan programme. We get better pay-backs than some of the finance companies and banks in the Province because we are very careful about who we give the loans to, and we want to make sure that the business to be supported will be a good business for some part of our Province.

On motion, clauses 2 and 3, carried.

Motion, that the Committee report having passed Bill No. 37 without

amendment, carried.

MR. OTTENHEIMER:  
Order 10. Bill 43.

A bill, "An Act To Remove Anomalies And Errors In The Statute Law". (Bill No. 43)

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

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. MITCHELL:  
Mr. Speaker, the Committee of the Whole have considered the matters to them referred and have directed me to report Bill Nos. 13, 39, 27, 38, 37, and 43 without amendment and Bill No. 12 with amendment and ask leave to sit again.

On motion, report received and adopted.

MR. SPEAKER:  
When shall these bills be read a third time?

MR. OTTENHEIMER:  
Now, by leave.

SOME HON. MEMBERS:  
No, no leave.

MR. SPEAKER:  
The Chairman of the Committee of the Whole reports that it has

considered the matters to it referred and has directed him to report Bill No. 12 with amendment. When shall the report be received?

MR. OTTENHEIMER:  
Now.

On motion, amendments read a first and second time.

MR. SPEAKER:  
When shall the bill be read a third time?

MR. OTTENHEIMER:  
Now.

MR. FENWICK:  
No leave.

MR. OTTENHEIMER:  
Mr. Speaker, we do not need leave. We understand the hon. gentleman does not wish to observe what have been certain traditional procedures in this House, and that is all we can do about it. We do not need leave.

MR. BARRY:  
They have no interest in expediting the business of the Province.

MR. OTTENHEIMER:  
That is quite true, no interest in expediting the business of the Province. He is probably aware his hon. comrade, last evening, would not agree to come back for three hours. I mean, I know everybody needs their sleep, but surely he could have sat until eleven o'clock!

Order 11. Bill No. 2.

The adjourned debate on second reading of a bill, "An Act To Amend The St. John's Fire Department Act, 1972". (Bill No.

2).

MR. BARRY:  
Mr. Speaker.

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

MR. BARRY:  
Mr. Speaker, I adjourned the debate, and I had just briefly pointed out that we have received representation - I would assume all members of the House have received representation - from the St. John's Firefighters Association expressing concern about what is contained in this bill. We want to have some further information from the minister before we are going to be in a position to support the change in legislation that the minister is seeking.

Now the point made by the St. John's Firefighters Association is a reasonable one. They were before an arbitration board with respect to determining whether or not Fire Captains fell within the collective bargaining unit, in other words, was the union entitled to bargain on behalf of Fire Captains, and the question arose, were Fire Captains management in such a way that they should not be part of the union? The arbitration board decided that although Fire Captains exercise some of the duties of management, they did not exercise the types of duties that would require them to be excluded from the collective bargaining unit; they were not involved in the receipt of confidential information, they were involved in some discipline but not the types of discipline that would mean that they should be excluded from the bargaining unit.

AN HON. MEMBER:  
In the eyes of the arbitrator.

MR. BARRY:  
In the eyes of the arbitrator.

So, there was an arbitration award and the question now is whether this is an attempt to get around the provisions of the arbitration award, to, in other words, subvert and undermine the arbitration process in this Province. Because that could be the consequence of this particular legislation.

MR. SPEAKER:  
Order, please!

I wonder would the hon. member mind if I interrupted him for a moment?

MR. BARRY:  
No, Sir.

MR. SPEAKER:  
There are three questions for the Late Show tonight. The first is by the hon. member for Gander who is not satisfied with an answer he got from the Minister of Fisheries on surveillance; the second is by the hon. the member for Windsor - Buchans who is not satisfied with the answer he got from the Minister of Fisheries regarding river guardians; and the third is from the hon. member for Stephenville who is not satisfied with an answer he got from the Minister of Career Development and Advanced Studies on youth unemployment.

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

MR. BARRY:  
So the position that we have now, Mr. Speaker, is, although this proposed amendment does not refer to Fire Captains, it does refer,

as members can see, to Shift Superintendents. Shift Superintendents are going to be excluded now, by legislation, from the bargaining unit. Well, as was set out in the directive of Fire Chief Stanley, dated March 4, 1987, a directive to all personnel, "Sometime ago I submitted a proposal with a view to the reorganization of the St. John's Fire Department. This proposal has been approved by Treasury Board and the Lieutenant-Governor in Council has appointed four additional Shift Superintendents. As well, approval has been granted for the positions of nine additional Fire Lieutenants abolishing nine firefighters positions."

He goes on to say, and this is the crucial point, "This reorganization will result in the abolition of eight positions of Fire Captains, four of these positions will be abolished with the appointment of four Shift Superintendents and an additional four positions will be abolished by attrition. Effective March 4, 1987, Fire Captains will no longer be assigned as officers in charge of East End and Kenmount Fire Stations. These stations will be under the command of Fire Lieutenants only. The remaining four stations will continue to be commanded by a Fire Captain and a Fire Lieutenant. The Fire Lieutenants assigned to East End and Kenmount stations will be under the command of a Shift Superintendent and each of the two assigned to each shift will have command of three stations and overall command of six stations when required."

So the concern of the association is there appears to be an attempt to do by the backdoor what the

management of the fire department was not able to do by the front door in the arbitration process. In other words, having lost the Fire Captains to the collective bargaining unit, they are now taking the approach of doing away with the Fire Captains, abolishing the position of Fire Captain, bringing in new appointments of Shift Superintendents, but amending the legislation - this is the important thing - amending the legislation to specifically exclude Shift Superintendents.

If Shift Superintendents are doing the same work as Fire Captains, one has to ask whether they should be excluded from the collective bargaining unit. If they are not doing the same work, then the minister should explain what additional duties will the Shift Superintendents be performing that would entitle or justify the exclusion from the collective bargaining unit.

That is the problem in a nutshell, Mr. Speaker. We do not want to see the undermining or erosion of the arbitration process. In order to get our support for this bill, the minister is going to have to give us more information in her closing remarks than she has given in the opening.

MR. FENWICK:  
Mr. Speaker.

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

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

Just to look over some of the proposals that are coming from this particular piece of legislation, it is not a large -



MR. SPEAKER:  
Order, please!

I understand the hon. member has already spoken on this.

MR. FENWICK:  
No, Mr. Speaker, I have not. I tried to speak to it but it was ruled the official Opposition would have the first response to it. The hon. member for Mount Scio-Bell Island (Mr. Barry) was the only person who has spoken to it other than the minister.

AN HON. MEMBER:  
He is correct.

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

MR. FENWICK:  
If you look at the legislation, Mr. Speaker, you see that there is only one thing being accomplished here. It is not a major revision of the structure of the fire department. It is not a case of trying to reorganize it completely as we are doing with other things, such as the Community Colleges Bill and the Institutes Bill and so on. All it does is create a situation where the Shift Superintendents are outside the bargaining unit by statute and that is all it does. That is the only change it makes over the current legislation in there. So one asks oneself why this is the only thing that is being looked at.

When we receive a copy of an arbitration award which dealt with this matter at length, one becomes somewhat naturally suspicious that there may be an attempt, shall we say, by using legislation to achieve what could not be accomplished at the bargaining table and through the arbitration process. If that is the case,

then you wonder where the good faith bargaining is on the part of the provincial government. Of course, we have not really seen an enormous amount of good faith bargaining on their part for the last several years anyway, so perhaps we should expect this kind of approach to it.

I would also like to table for the members in the House - I think all of them have received it so it is just a matter of reviving peoples' memories - a letter dated March 4, 1987, from Mr. Stanley, the Fire Chief, a directive, it says, to all personnel.

It says, "Some time ago I submitted a proposal with a view to the reorganization of the St. John's Fire Department. This proposal has been approved by Treasury Board and the Lieutenant-Governor in Council has appointed four additional Shift Superintendents."

So here you have it, Mr. Speaker, an indication that four additional Shift Superintendents are being created. As you continue on with the memo you see, "As well, approval has been granted for the positions of nine additional Fire Lieutenants, abolishing nine fire fighters' positions. This reorganization will result in the abolition of eight positions of Fire Captains."

In other words, Mr. Speaker, we have in exactly the same memo that indicates four additional Shift Superintendents, the statement by the Fire Chief that eight positions of Fire Captains will be abolished. If we look at the arbitration award, the arbitration award was entirely involved with the question of whether or not Fire Captains should be members of

the bargaining unit or not. The arbitrator indeed ruled that the Fire Captains should be.

So what we see at this point is an abolition of eight of these positions of Fire Captains and the establishment of four additional Shift Superintendents in exactly the same memo. Then, without any coincidence whatsoever, a piece of legislation coming down saying, by Statute, that the Shift Superintendents will not be members of the bargaining unit.

Mr. Speaker, it is very rare that such a conclusive case was made where the Legislature is now being used to achieve in one form what could not be achieved through the arbitration process. I will table the letter itself although I think all members have received a copy of it.

Now, Mr. Speaker, in historic terms, services such as fire fighting cannot be allowed to take part in the same kind of collective bargaining process that other units have. In other words, Mr. Speaker, it is not our wish, and I do not think it is the wish of anybody, that the normal negotiating process, conciliation, then followed by the right on both parties to withdraw services or to lock people out, in other words, the strike lockout routine, this normal pattern is not acceptable when you have a service such as fire fighters.

So the legislation governing collective bargaining in absolutely essential services, such as this, includes the right to, what is called, 'interest arbitration' at the end of the process. The argument would be that the two sides would sit down and would negotiate, and when they

came to a point where they had negotiated all that they could settle between the parties, they would then take what remained and refer that to an Arbitration Board, and not binding Arbitration Board, but an Arbitration Board because by its very nature arbitration is binding. It can be nothing else. This referral then comes back from the Arbitration Board with the rules under which the parties will live.

Now, we have clearly seen, through the combination of the arbitration award, the memo from Chief Stanley, and the legislation, that there is an attempt here to withdraw the Shift Superintendents from the bargaining unit by legislation, and, in effect, have them replace the Fire Captains who, by arbitration, were deemed to be reasonable members of the particular bargaining unit itself. If that were to continue to occur, Mr. Speaker, we would have an erosion of the arbitration process which is the only guarantee that the fire fighters in this Province have that there will be an independent examination of their case and that they will have some chance to achieve what other bargaining units, per force, must accomplish by using the conciliation and, then, the legal strike route.

I would suggest to the hon. minister, the President of Treasury Board (Mr. Windsor), and to the Minister of Labour (Mr. Blanchard), if we continue on in this direction, then we will see the individuals covered by a process which ends in arbitration thoroughly dissatisfied with seeing it threatened by arbitrary actions on the part of the government through the Legislature and its ability to make laws.

Then the disrespect for the process may become so strong, we will end up with the unfortunate situation of seeing walkouts occur in essential services such as fire-fighting.

So, Mr. Speaker, I do not consider this a light amendment at all. I think it is extremely important to realize that the St. John's Firefighters, Local 1075, clearly sees it as a means of the government achieving, through legislation, what it was unable to accomplish in arbitration and that their faith in the process, which is the thing that keeps collective bargaining alive in areas such as fire-fighting will then be extremely diminished and, as a result, we may see some very unfortunate actions occur.

I would ask the government to be very careful in passing amendments which do this. I would also suggest that it is not an inappropriate time for government to see the error of its ways and to repent. We will allow the minister to stand up and repent to any means that she wishes and to either withdraw the bill from the Order Paper and say, 'It was a mistake and we should not have done it,' or to join with the official opposition and ourselves, who will be quite happy to vote down the piece of legislation and allow the situation to remain where it is.

I think, Mr. Speaker, if that were the situation, we would protect the collective bargaining situation and we would not be in a position whereby we would end up with a tremendous amount of mistrust on both sides as a result of it.

So, with those comments I will sit

down and allow the minister to give her final rebuttal and, of course, we will have some more to say about it in terms of rebuttal to her comments when we get to the committee stage.

MR. SPEAKER:

If the minister speaks now she will close the debate.

The hon. the Minister of Justice.

MS VERGE:

Thank you, Mr. Speaker.

The St. John's Fire Department indeed provides essential services to the population of St. John's and the peripheral communities. The department has about 300 members. It is a hierarchical organization with six different tiers, six different ranks. At the top there is one fire chief below which are two chief assistant chiefs. The third tier is the rank of Shift Superintendent, a position added in 1983, a position clearly performing high level managerial and supervisory functions. The fourth level is that of Fire Captain. Next is Fire Lieutenant and then the fire fighters. We have, as I say, one chief and two assistant chiefs. We have had four Shift Superintendents and we are moving to have eight Shift Superintendents. We have had twenty-six Fire Captains and are moving to have eighteen Fire Captains. We are moving to add nine Fire Lieutenants and the complement of the department will be maintained at about 300 members.

Mr. Speaker, this bill amends the St. John's Fire Department Act by adding four words, 'and the Shift Superintendent', so that in section 20 of the Act, which provides for the composition of

the bargaining unit and outlines those positions covered by the collective agreement, the Act will accord with practice. Since the position of Shift Superintendent was added in 1983, that position has been part of management, it has not been in the bargaining unit. The position involves high level management and supervision and clearly belongs in management. Above the rank of Shift Superintendent are two Assistant Chiefs and one Chief, three personnel out of 300 personnel.

As members opposite have pointed out, a year or so ago there was an arbitration involving the St. John's Fire Department. Many issues were put before the arbitrator. The arbitrator ruled in favour of the union on one issue only and that issue was whether or not Fire Captains, of whom there were then about twenty-six, who had always been part of management and who had never, prior to that arbitration been, in the bargaining unit, should remain as part of management or come out of management and go into the bargaining unit. The arbitrator ruled in favour of the union and recommended that the Fire Captains, of whom, as I say, there were twenty-six, come out of management and go into the bargaining unit. That has been done. The arbitration award was accepted and that was done. So the Fire Captains are now in the bargaining unit along with the Fire Lieutenants, below them in the hierarchical organization, and the firefighters. So the only personnel of the St. John's Fire Department who, in practice, are now not in the bargaining unit are the Shift Superintendents, the Assistant Chiefs and the Chief.

Now, Mr. Speaker, this amendment simply will make the act accord with reality and practice in spelling out that the Shift Superintendents, along with the Assistant Chiefs and the Chief, are indeed part of management and that is a reflection of the nature of their work. It is only reasonable that in a force of 300 members at least eleven would be part of management.

Mr. Speaker, the reorganization of the department outlined in Fire Chief Stanley's memo, read by the member for Menihek, was done for sound management and financial reasons, it is to add to the number of Shift Superintendent positions, enough so that there will be two Shift Superintendents covering each shift so that one Shift Superintendent can be supervising three fire stations on each shift. We have six stations, two shifts, and we need in all, eight Shift Superintendents. We are subtracting from the number of Fire Captain positions, from twenty-six to eighteen, but we are adding to the number of Fire Lieutenant positions by nine so there will be more opportunities for the rank and file firefighters to advance.

Mr. Speaker, recently leaders of the firefighters union met with me, the President of Treasury Board and the Minister of Labour to express to us some concerns about the reorganization. In that meeting there was no suggestion, not that I understood, that the reorganization was perceived by them as in any way undermining the arbitrator's award and our acceptance of the arbitrator's award. They did express, however, some reservations about the reorganization, which I and my colleagues undertook to assess.

But, Mr. Speaker, the content of this bill does not have anything to do with the arbitrator's award. It simply says that Shift Superintendents, who are not addressed in the arbitrators award, will not be in the bargaining unit. They have never been in the bargaining unit. It will reflect past practice, which is that the Shift Superintendents as well as the two Assistant Chiefs and the Chief will be part of management.

MR. BARRY:

Would the minister permit a question?

MS VERGE:

Yes, Mr. Speaker, I would be happy to entertain a question from the member for Mount Scio - Bell Island.

MR. SPEAKER:

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

MR. BARRY:

The minister is giving a very clear explanation, but it leaves one with the question if this has been the practice and if everything is going fine, why are we wasting the time of the Legislature in bringing in legislation that is not going to make any changes? Why is anybody concerned with having the legislation tied in with the reality? When the minister says she did not get any representation with respect to this being an erosion of the arbitration award, the minister did not receive a letter from the President of the Firefighters Association - did she? - which I understood was circulated to most MHAs, if not all. I will send the minister a copy if she did not get it.

It says very clearly there, 'It seems as if Chief Stanley with the approval of Treasury Board has now decided to take the route of abolishment of Captains and eventually making them Superintendents through taking them out of the bargaining unit.' This is Mr. Pittman, the Firefighters' President. He also says, 'When legislation is used to erode away binding arbitration, then I think this could set a dangerous precedent in today's society', and he makes a very good point there.

Is the minister saying she has not received this letter from Mr. Pittman?

MR. SPEAKER:

The hon. the Minister of Justice.

MS VERGE:

Mr. Speaker, I was referring to a meeting that I had, along with the President of Treasury Board and the Minister of Labour, quite recently, I think it was within the past two or three weeks, with leaders of the Firefighters' Union. In that meeting they did indeed express concerns about the reorganization and about the reduction from twenty-six to eighteen in the number of Fire Captain positions at the same time as there will be an increase from four to eight in the number of Shift Superintendent positions, and an increase by nine in the number of Fire Lieutenant positions.

I did not understand from their presentation to us that they see that reorganization as any kind of erosion of the arbitrator's recommendation, which was accepted and adopted. All I am saying is that Shift Superintendents who were added in 1983, perform

top-level managerial functions. They are immediately below the two Assistant Chiefs. They have always been in management. They have never been in the bargaining unit. The act would have come in before 1983, and this is really a housekeeping amendment simply making the wording of the act accord with reality since 1983.

Mr. Speaker, with those comments, I move second reading of the bill.

SOME HON. MEMBERS:

Hear, hear!

On motion, a bill, "An Act To Amend The St. John's Fire Department Act, 1972," read a second time, ordered referred to a Committee of the Whole House on tomorrow. (Bill No 2)

MR. OTTENHEIMER:

Order 12. Bill No. 6.

Motion, second reading of a bill, "An Act To Amend The Conflict Of Interest Act, 1973". (Bill No. 6).

DR. COLLINS:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Finance.

DR. COLLINS:

Mr. Speaker, just a few words on this. This is the first amendment to this act, although it was brought in in 1973. Since that time, there have been changes in other legislation that should be reflected in this act. For instance, The Revenue and Audit Act has now been changed to The Financial Administration Act, and the Comptroller and Deputy Minister of Finance has now become the Comptroller General of the Province, that type of thing. It is those changes that this

amendment will take care of.

Secondly, under the act as it presently stands, the Minister of Finance is responsible for the administration of the act. However, the conflict of interest regulations established under the act place the responsibility for those regulations on the Public Service Commission, which, of course, reports to the Minister of Public Works and Services. So this amendment to streamline the administration of the act would put the responsibility for all aspects of the act under the one minister, that is, the Minister of Public Works and Services. The act relates more to personnel matters than it does to financial matters, so it seems logical to do that.

The act also currently covers all employees except seasonal and contractual employees. Even though certain seasonal and contractual employees, such as forest rangers, can accrue pensionable service, they have seniority and that type of thing, they are excluded from the regulations. However, the regulations apply to certain categories of staff with even less status than those, part-time workers and so on, so there is a certain illogicality there, and the amendment corrects that situation by extending coverage to all seasonal and contractual employees, but then giving the Lieutenant-Governor in Council the authority to designate non-applicability to certain groups. And that seems a more reasonable way of doing this thing, that everyone is included but then certain people may be excluded, rather than in the act including some individuals with a great level of status and

responsibility and excluding others.

Finally, there are a few other minor changes encompassed in this amendment: name changes. For instance, The Civil Service Commission Act is now The Newfoundland Public Service Commission Act. So that name change is affected. Then there are certain title changes and certain other positions are added. One of the positions that will now be encompassed under the conflict of interest regulations is the Senior Legislative Counsel. Of course, that was not included in the 1973 act because, presumably, we did not have such a person at that time.

So the bill brings the act up-to-date and makes the coverage of the act more sensible, and also brings it up-to-date in terms of titles and positions. I move second reading.

MR. LUSH:  
Mr. Speaker.

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

MR. LUSH:  
Mr. Speaker, it makes sense to have the whole administration of The Conflict of Interest Act under one minister. I suppose it matters little which minister is given the responsibility of carrying out the act as long as the act is carried out competently and carried out in a vigilant manner to ensure that all regulations under the act, and all the rules and regulations under the act are followed to the letter of the law.

Mr. Speaker, we find no objection

with bringing the entire act under one ministry as long as the rules and regulations, all which is encompassed under The Conflict of Interest Act, is carried out in an efficient and effective manner.

The other aspect, we understand, is to bring it up-to-date, to include more individuals, more groups, and this kind of thing.

So, Mr. Speaker, on the face of it, we certainly see nothing wrong with what has happened here today.

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

MR. FENWICK:  
Mr. Speaker, I think I would probably feel a lot better if it was another minister involved in the change to the Minister of Public Works and Services (Mr. Young). As a matter of fact, I have some strong questions about why we have the Public Service Commission in with the Minister of Public Works and Services. Maybe we should be looking at moving the Public Service Commission to some other ministry.

Mr. Speaker, I would like to adjourn the debate.

MR. SPEAKER:  
The debate is adjourned by the hon. the member for Menihek.

Debate on the Adjournment  
[Late Show]

MR. SPEAKER:  
There are three questions for the Late Show.

I call on the hon. the member for Gander.

MR. BAKER:

Thank you, Mr. Speaker.

Today, in Question Period, I had a question for the Minister of Fisheries. The reason I asked the question is quite involved. First of all, we were discussing the surveillance of, in this case, salmon rivers, and my question came immediately after that. The minister was making comments concerning the concern about surveillance on salmon rivers, and I wanted to point out -

AN HON. MEMBER:

It has to be on Gander Lake.

MR. BAKER:

It was not on Gander lake. On Monday, in Conception Bay, the minister and the federal minister, and I believe some other ministers, were out on the **Leonard Cowley**, which happens to be one of two patrol boats that we have to protect our concerns in the offshore in terms of fishing. I believe they went out ten o'clock in the morning and spent the day and overnight out there. The thought entered my mind that here was a boat that was supposed to really be out doing patrol and doing surveillance, and whereas it is nice if there is a meeting of Fisheries Ministers to take them on a cruise somewhere, it seems to me to be a little out of place to bring in the **Leonard Cowley**, a patrol vessel, to provide the ministers with, perhaps, a meeting - I suppose they had a meeting on board the boat - but also with a cruise around Conception Bay that I am sure they all enjoyed.

The minister answered, of course, that there was a patrol boat, that a frigate was out doing the patrol work that the **Leonard Cowley**

would ordinarily be doing. I thank the minister for his answer. But it raises another rather interesting point, Mr. Speaker. How much did it cost to bring a frigate here and to put a frigate out patrolling when we have two patrol vessels to do the job? I realize that one of them was in dry dock, which makes it all the more amazing that the **Cowley** would then be used for this.

I understand, as well, that the **Cowley** is still in town. I believe I saw her this morning. The **Cowley** is still in town for some reason or other. So, the **Cowley** was pulled off patrol services and at least prolonged her stay in St. John's for one more day while the minister and other ministers went out on their cruise in Conception Bay and stayed overnight.

What was the cost of this particular little excursion? What was the cost of getting the frigate to cover that patrol duty for one day?

The related question I had, Mr. Speaker, had to do with the refit that the **Cape Roger** was undergoing. The **Cape Roger**, the other patrol boat, at the time was in Nova Scotia in a dockyard getting a refit.

MR. EFFORD:

In Nova Scotia?

MR. BAKER:

In Nova Scotia. Now, the question that came to mind, and I asked the minister, had to do with that fact: How come, when we have dockyards here desperately in need of work, and we have a fisheries vessel that normally patrols off here, would it not be a little



more economical - for instance, it is a shorter distance to have the Cape Roger come into Marystown - to and get the work done in Marystown?

I wondered, in a facetious kind of way, Mr. Speaker, whether during the cruise on Conception Bay the minister actually discussed this matter with the federal minister. Now, the real point of all of this, Mr. Speaker, is that here was our provincial minister, with the federal minister and other ministers, off here on this wonderful, marvellous cruise, and there are issues vital to the Newfoundland fishery and to the Newfoundland fishermen that need to be settled, and I am wondering how this cruise contributed to the settlement. For instance, take UI: I heard the minister on radio this morning talking about the fact that he was making strong representation, out on a cruise, with regard to UI with the federal government. I made a phone call to Ottawa this morning and as far as I could find out a decision was made on UI, that the UI was not being given to the fishermen, that they were not going to be given UI. So I wonder what benefit these cruises are and how much does it cost for the minister to have his little cruise in Conception Bay in the cost of a frigate out patrolling during that time?

MR. SPEAKER:

The hon. the Minister of Fisheries.

MR. RIDEOUT:

Mr. Speaker, the Late Show is supposed to deal with questions of pressing urgency of the business of the people of the public of Newfoundland. What a waste of five minutes, Mr. Speaker!

Let me tell the hon. gentleman that the surveillance trip arranged by the federal minister on the Leonard J. Cowley was not just cruising around Conception Bay as much as he would like to believe that, but actually this was the second part of ministers having an opportunity to view first hand the surveillance effort - and a very fine surveillance effort, too, by the way - the very professional surveillance effort being put into our offshore by the professional people in the Department of Fisheries and Oceans.

I spent eleven and a half hours, last September I believe it was, in the Aurora aircraft flying the Nose and Tail of the Grand Banks and the Flemish Cap. That was one part of the experience. The other part of the experience was actually going out and being briefed a surveillance by the fishery officer who was kidnapped and almost taken to the Azores, Mr. Speaker, by actually going out in the Zodiacs - ministers, ordinary individuals - and boarding the Leonard Cowley, going up the rope ladder. You should have been there to see how you would perform with the ship going four and a half knots in five or six foot waves.

MR. MORGAN:

He would never go out in a fishing boat, let along out there.

AN HON. MEMBER:

Did you get wet?

MR. RIDEOUT:

I did not get wet once - I thank the hon. gentleman - but that was because I grew up in boats. That is the salt water that came across my brow off Partridge Point in Fleur de Lys, Mr. Speaker.

Mr. Speaker, the point of it all is that as ministers we have a responsibility to sit down and be briefed on the activity offshore by those professionals, and what better place to do it than physically on the **Leonard Cowley** itself?

Now let us go on to the other foolish questions the spoilsport from Gander asked, Mr. Speaker. The fact of the matter is that DFO has a contract for a certain number of hours with the department of National Defense for aircraft, number one, and for surface vessels, number two. Because sometimes the **Leonard Cowley** has to be in and sometimes the **Cape Roger** has to be in at the same time, we do not leave out there with nothing out there surveilling, so we have contracts with DND to go at certain times.

SOME HON. MEMBERS:  
Oh, oh!

MR. RIDEOUT:  
That is a fact. You can oh all you like.

The fact of the matter is the **Leonard Cowley** is still in town, Mr. Speaker, because she is being refitted for a helicopter which is to arrive on the vessel on July 2, Mr. Speaker, to do a better job of surveillance off the East Coast of Newfoundland. So she cannot be out there. The **Cape Roger** is in dry dock. I assume the federal government have rules and laws like ours; they call public tender and give it to the lowest bidder - I do not know, either way it is not my responsibility. I do not own the **Cape Roger** and I did not call tenders to have her refitted. So, Mr. Speaker, it is nothing only foolish, silly questions. If the hon. member

wants to know how much the federal Department of Fisheries and Oceans is paying for contracted hours from DND for vessels, or for the Aurora aircraft or for the Tracker aircraft, or how much the refit of the **Cape Roger** is going to cost and whether it was done by public tender and whether it was awarded to the lowest yard, then he has a very close relative in the House of Commons who could ask those questions of the appropriate minister and, I am sure, get the answers. But it is not my responsibility to provide those answers and I am not about to go wasting my time looking for them.

I will do everything I can that is my responsibility, but I have not got enough time to waste to carry out the responsibility of every other minister.

MR. SPEAKER:  
I call on the hon. the member for Windsor - Buchans.

SOME HON. MEMBERS:  
Hear, hear!

MR. FLIGHT:  
Thank you, Mr. Speaker.

Mr. Speaker, now that the Minister of Fisheries seems to be all worked up with his concern about the question asked by the hon. member for Gander, the minister will know that I rose in the House today and I asked three simple questions. I am going to ask the Minister of Fisheries the questions again, because it is the Minister of Fisheries who is responsible for the salmon stocks in this Province.

I cannot believe that the Minister of Fisheries, knowing how he wants to be seen in this Province as a protector of the fisheries, and a

very sincere individual, would stand up in this House and say, 'I am not responsible for the salmon stocks of this Province.' Now, the minister will know, Mr. Speaker, that a few years ago he was so concerned, and the federal fishery minister was so concerned that the salmon fishery was practically closed down.

Mr. Speaker, I want to make the point first that I have great faith, great confidence, in that Minister of Fisheries. If he takes an issue to heart and decides to go to Ottawa and work on it, then I think he will get results. I have not got the same faith in the Minister of Culture, Recreation and Youth (Mr. Matthews).

Mr. Speaker, as sure as the Minister of Fisheries is responsible for the cod stocks, for the herring stocks, for the caplin stocks, then he must be responsible for the salmon stocks. If we are to have the Atlantic salmon fishery survive, if the stocks are going to be able to support a fishery, then the most important aspect of the salmon fishery - I see the member for Bonavista South (Mr. Morgan) nodding. He is well aware of what I am talking about.

MR. EFFORD:  
He know all about salmon.

SOME HON. MEMBERS:  
A low blow!

MR. MATTHEWS:  
He knows about stove pipe, too.

MR. SPEAKER:  
Order, please!

MR. FLIGHT:  
The most important aspect of the

salmon fishery is the protection of the rivers and the spawning grounds. Now, the Minister of Fisheries knows that in order to guarantee a sustainable stock of North Atlantic salmon, we must protect them at their source, in the rivers and on the spawning grounds.

Let us assume for a minute it is the Department of Culture, Recreation and Youth's responsibility: Why is he prepared to let the Minister of Culture, Recreation and Youth to take so slack an attitude against policing our rivers, and providing wardens for our rivers?

MR. SIMMS:  
Ask the official Opposition Fishery critic.

MR. FLIGHT:  
I do not understand that.

MR. MORGAN:  
The Liberal caucus (inaudible) fisheries matters.

SOME HON. MEMBERS:  
Oh, oh!

MR. SPEAKER:  
Order, please!

MR. FLIGHT:  
Has the Minister of Fisheries ever taken it upon himself to talk to the Minister of Culture, Recreation and Youth and ask why our rivers are only being protected for ten weeks a year?

MR. MORGAN:  
He is the real spokesman in Fisheries in the Opposition.

SOME HON. MEMBERS:  
Oh, oh!

MR. SPEAKER:

Order, please!

I have called for order on three occasions. I do not think it should be necessary to keep doing so.

The hon. the member for Windsor - Buchans.

MR. FLIGHT:

The Minister of Fisheries, in his capacity as Minister of Fisheries, gave a commitment last year, saying he did not like the fact that there was being damage done to the fishery stocks and the salmon stocks of this Province, and that he would use his position and he would use his influence with Mr. Siddon his federal counterpart, to see that fishery wardens and protection officers would be on the rivers in Newfoundland to protect the commercial fishery, to protect the North Atlantic salmon stocks.

Now, Mr. Speaker, no wonder he does not want to talk to it today, because nothing has happened, it is getting worse. Now, we are down to where -

MR. SIMMS:

What is the question?

MR. FLIGHT:

Mr. Speaker, will you protect me from the maw-mouth from Grand Falls, please?

MR. SPEAKER:

Order, please!

MR. FLIGHT:

Since the Minister of Fisheries is not prepared to accept his responsibility in this will the Minister of Culture, Recreation and Youth, when he gets up, explain to us how the salmon rivers can be protected when he is prepared to hire fish wardens or

guardians for ten weeks and when there are rivers in Newfoundland open from early June to early September, a period of nothing less than twelve, and in some places fourteen weeks? That means that certain rivers will be open to the commercial fishery and to poaching for three to four weeks with no guardians. Now, how can the minister condone that? I say to the minister that the time when the rivers will get the most poaching is after the fly fishermen, the licensed fishermen are off the rivers in August and so will the wardens be off the rivers. How can the minister stand up and defend that? And why is it that he is not making sure that Newfoundland rivers are fully protected while the salmon runs are on the go?

MR. SPEAKER:

Order, please!

The question was directed to the hon the Minister of Fisheries (Mr. Rideout), but if the hon. the Minister of Culture, Recreation and Youth (Mr. Matthews) wants he can answer.

MR. MATTHEWS:

Mr. Speaker, I really do not know what the question was because I do not think the hon. gentleman asked a question. It was mostly statements, very confused statements, and I would like to say to him, no, I do not condone any activity or lack of it that in any way jeopardizes the salmon stock, none whatsoever.

SOME HON. MEMBERS:

Hear, hear!

MR. MATTHEWS:

For the hon. gentleman's information this particular issue is a matter for Federal fisheries

and Oceans, not the provincial Minister of Fisheries, not the Minister of Culture, Recreation and Youth. But, Mr. Speaker, that is not to say that we have not had ongoing discussions with federal officials and the federal minister about trying to improve on the situation. The hon. gentleman is correct in that the information I have is that guardians on the rivers will be there for about ten to eleven weeks, fifty-five person-days, I believe is the hiring.

In addition to the guardians there are fishery officers employed twelve months of the year. There are junior officers who are employed for six months. Then there are the guardians who are on for ten to eleven weeks which, Mr. Speaker, is not enough. There should be more. We have made representation to the federal minister on that and, Mr. Speaker, it all comes down, again, to the very important question of jurisdiction. It comes down to jurisdiction, and this administration has consistently said that in order for our fishery to be utilized for the full benefit of Newfoundlanders and Labradorians we should have more jurisdiction over our fisheries.

Just a few weeks ago we saw the new leader of the Liberal Party ask the question of what we would do if we had additional jurisdiction. So I think the hon. gentleman should straighten up his own house first and support this party and this government in a struggle to get more jurisdiction so that the various aspects of the fishery such as harvesting and policing and management of our salmon rivers, would be the jurisdiction of the Province. I think if that was the case, Mr.

Speaker, then we would be doing it in a better manner.

To carry on with the answer a bit further, Mr. Speaker, different departments of our provincial government have been exploring and have had discussions with the federal Department of Fisheries and Oceans with a view to trying to maximize the various protection agencies, and management agencies to see if we cannot make them more efficient for the benefit of Newfoundlanders and Labradorians, to protect and manage our resources, including the salmon resource, which is very important for that the commercial fishery, and, as well, the very important recreational salmon fishery. Mr. Speaker, the hon. gentleman should get his facts straight. It is right now the responsibility of federal Fisheries and Oceans, and if we had more jurisdiction I think we would be policing those rivers in a more efficient manner.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

Order, please!

The hon. the member for Stephenville.

MR. K. AYLWARD:

Thank you, Mr. Speaker.

I have some questions that I would like to direct to the Minister of Career Development and Advanced Studies about youth unemployment, and I want to tell him I am getting rather upset.

I was reading here just a minute ago where the Associate Defence Minister (Mr. Dick) came down here to St. John's yesterday. Well, we have been trying to get a sea

cadet base in this Province - Newfoundland is tenth in defence spending in the country - and we have not been able to get a meeting with the minister for sixteen months. And this government has been refusing to answer questions about its lobby efforts.

The Associate Defence Minister comes down here and speaks to the Board of Trade and says, "There are other areas in Canada in more dire need of money than Newfoundland. A military related factory may be built in Cape Breton, for example, where unemployment is higher."

I will tell you something: I am fed up with the federal government if that is the attitude they have. A cadet base is an example of an initiative this side undertook and then tried to give the other side, and told them where to go to try to create some Summer employment in this Province for young people. And it would have done that. Now we see the federal government's attitude, and I am hearing rumours that we probably will not get it now anyway, but I am going to find out, and we are going to hold this government accountable for the youth unemployment situation in this Province one way or the other.

SOME HON. MEMBERS:

Hear, hear!

MR. K. AYLWARD:

The NLDC Youth Entrepreneurship Programme, Mr. Speaker, is an excellent programme, one the Liberals brought up in the House of Assembly, that the Liberals brought forward and talked about for a year and a half. We give the minister who adopted it a pat on the back. That is one part of

a programme that this government should be adopting, but the rest they are not going to bother with, Mr. Speaker, because some people might start realizing that the Liberals have some pretty good ideas on how to solve the problem, and we are going to keep attacking this government until they attack the problem.

We have 40 per cent, officially, out there on youth unemployment and we have a government that keeps saying, "All you do is criticize." Well, I want to tell you something: We do more than criticize, we bring positive suggestions to this government and we see them being thrown away most of the time.

SOME HON. MEMBERS:

Hear, hear!

MR. K. AYLWARD:

Talking about young people leaving to find a fortune, we see comments by the Minister of Development (Mr. Barrett) we are getting into second and third generation welfare recipients. Now, I have to figure this out, Mr. Speaker. I would like to know who the government is: Is it them over there or is it us over here? Because they keep telling us that they are doing everything they can, yet they will not take positive suggestions to try to solve the problem, and one of the things, Mr. Speaker, that they have to be held accountable for, the only result that a government should be measured on, is the unemployment rate.

In 1979, twenty-five per cent of young people 16 to 25 were unemployed. In 1987 it is up to 36 per cent. That is an 11 per cent increase. Now, does the minister want us to pat him on the

back for that, I wonder? Well, I will tell you he will get no pat on the back from us, he is going to get condemned, and will be condemned from here on in because we are sick and tired of it, and so are the young people in this Province. So when he gets up I want to hear four or five points and a plan about how they are going to attack this problem. You can give us about two or three minutes of just plain rhetoric, but then tell us what you are going to do, positive constructive suggestions, to solve the problem.

Thank you, Mr. Speaker.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

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

MR. POWER:

Mr. Speaker, thank you.

Obviously we discussed this somewhat earlier today in Question Period and as I mentioned on government's behalf, and as this government has said, we were re-elected in 1985 on the premise that unemployment was going to be the major problem tackled by this government.

Mr. Speaker, that is not easy to do in Newfoundland. Everyone knows that. Anyone who thinks they have flippant, pat answers to solve the unemployment problems in Newfoundland simply are not being reasonable, nor are they being honest, Mr. Speaker. The unemployment problems, which are universal in the Western world, are compounded in Newfoundland because of the nature of our economy. There is no doubt that the recession that started in

1980-81 has certainly hurt Newfoundland more than it hurt any other place in Canada, and it difficult for an economy like Newfoundland's to rebound out of that type of recession.

But, Mr. Speaker, when the members opposite continually hamper what a government is trying to do, continually criticize, then they also do not deserve a pat on the back for bringing back any new, innovative ideas to solve the unemployment problem. The vast majority of what comes across the House from the opposite side is criticism about government programmes that we are trying to do. I have brought in here enough announcements, I guess in the last five weeks, to show that we have created nearly 2,000 jobs in private sector and public sector employment programmes. Mr. Speaker, 40 per cent of those jobs are designated to one target group only, and that is the group below age twenty-five. We have targeted that group and no other group. We had a fair amount of pressure from women's groups to target women's groups, we had a fair amount of pressure from organizations for the disabled to target disabled people, from Native Peoples, from visible minorities, or anybody else that you want who lobby us in the Province to give them special consideration. We, as a government, decided to take our \$12.5 million fund and designate 40 per cent of it to youth. Mr. Speaker, 40 per cent of those 2,000 jobs - and it will be excess of 2,000 jobs when I make some more announcements tomorrow and early next week - will show that we will have created in the last six weeks over 800 youth jobs in this Province.

Mr. Speaker, that is in addition

to the jobs that are created by the federal government in their Summer Employment Challenge '87 Programme. It is in addition to the regular hiring practices of some line departments in government, such as Forestry, Parks, Public Works, and other parts of government. So, Mr. Speaker, we are doing a fair share to solve the unemployment problem for youth in this Province.

Again, sometimes the shortest term solution is the most expensive answer you can get. To simply give persons access to work that is not meaningful, that is not productive, is simply cheating the young people, convincing them or trying to con them into thinking that they are contributing to the economy of Newfoundland or to the betterment of Newfoundland when, in effect, they are not doing it.

One of the reasons, as I mentioned earlier today, that we are spending \$213 million, one of the reasons that two or three pieces of legislation on the Order Paper today was relating to a reorganized post-secondary education system for community colleges and for the institutes that we have in this Province, Mr. Speaker, is so that we can train our students to be as good as they are trained anywhere else in the world.

As I mentioned also today, at that conference where I represented Canada, there are 30 million unemployed in Western countries. The biggest single problem with 30 million unemployed is the lack of education of the vast majority of the 30 million that are unemployed in those countries. Low quality education, lack of standards, lack of proper preparation, and lack of co-ordination between educational

systems and industry are all problems that cause unemployment to be more difficult than what it is.

Mr. Speaker, I also have to say that the economy is the way that we have to solve jobs. We cannot do it, like the Socialists say, by putting everything into social programmes. Everything into the Canadian Job Strategy is not the solution for Newfoundland or any place else. It has got to be done through the private sector. The vast majority of new ideas that we have had in the last six weeks, coming up from small entrepreneurs in rural parts and in urban parts of Newfoundland to create new employment, and new jobs with new ideas, using our 50/50 programme, shows that there are lots of ideas in the private sector to create employment.

But I can only say, Mr. Speaker, that as we get criticized resoundingly from the NDP -

SOME HON. MEMBERS:  
The Socialists.

MR. POWER:  
The NDP boys, the Socialists, Communists, or whatever you want to call them.

- I also have to take issue with the Liberal Party as well, Mr. Speaker, when they resoundingly criticize investment in this Province such as Sprung, such as Come By Chance, such as Kruger - 'just' the other day they tried to prevent a bill from being passed here to help a large industry and a large community in Newfoundland. Mr. Speaker, we do not live in a vacuum anymore. We are not isolated anymore. Everything that is said in the Legislature in Newfoundland is



available to all of the people of the world to read and to see and to hear and to listen to. And simply, Mr. Speaker, when we get so resoundingly criticized for trying to bring in some research and development, to try to create some jobs such as through the Sprung organization, the great hullabaloo and support on the Opposition side not to get Come By Chance reopened, not to have those 500 jobs, every time that happens there is an investor in Toronto or New York or Singapore or Hong Kong who says Newfoundland may not be the right place for me to go and spend my money. So where do they go? To other provinces of Canada. It is the fault of all of us within Newfoundland who tend to be so parochial, so narrow, that we tend, for the sake of criticizing, to actually destroy some initiative, which we are trying to take outside of this Province and outside this country, to get investors. And all I can say, Mr. Speaker, is that solving the problem of youth unemployment, or unemployment in its overall aspect, has to be done through the economy. It has to be done outside of Newfoundland. And we would welcome, some time in the near future, some suggestions from the Opposition Parties in that regard.

SOME HON. MEMBERS:  
Hear, hear!

MR. SPEAKER:  
Order, please!

The motion is that we adjourn.  
All those in favour 'Aye'?

SOME HON. MEMBERS:  
Aye.

MR. SPEAKER:  
Those against 'Nay'.

SOME HON. MEMBERS:  
Nay.

MR. SPEAKER:  
The "Nays" have it. The motion is defeated.

We will recess until 8:00 o'clock tonight.

The House resumed at 8:00 p.m.

MR. SPEAKER:  
Order, please!

We were dealing with the second reading of a bill, "An Act To Amend The Conflict Of Interest Act, 1973," Bill No. 6. The debate was adjourned by the hon. the member for Menihek.

Before calling on him, I would like to rule on a point of privilege. On Tuesday the member for Menihek rose on a point of privilege. He stated that he believed his privileges had been breached by the failure of the Chair to recognize him when he rose to speak in the third reading on Bill No. 25. I reserved ruling on the matter and I am now prepared to make it.

I must rule there is no prima facie case of a breach of privilege. Before explaining my ruling, I would like to confirm that it is in order to debate a motion for the third reading of a bill. That is clear from the precedents of this House and from Beauchesne, 5th Edition.

I refer hon. members to the Speaker's ruling found in Hansard for May 26, 1980, page 4714, and to Beauchesne, 5th Edition, paragraph 802. I have also confirmed that it is a practice of the House of Commons in Ottawa to permit debate on the third reading of a bill.

The authorities also state that debate on third reading is more confined than on second reading. Owing to the rarity of such a debate in our House, it is difficult for the Chair to indicate the parameters in advance. The Chair would simply

wish to stress that the scope of debate is a narrow one.

I have reviewed the relevant portion of Hansard for Tuesday. While it is clear on the record that the member for Menihek rose to speak on third reading, it was not clear at the time to the Chair. The tenor of the member's remarks, together with a number of interventions by other hon. members, contributed to the misunderstanding. The Chair was under the impression the hon. member had risen on a point of order. It was in the context of the confusion, to which the hon. member's remarks contributed, that the Chair put the question which was then carried by hon. members.

The hon. the member for Menihek.

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

I am just going to confine my comments for a few minutes to the Conflict of Interest amendment. My comments would be primarily the ones I made prior to our recess or whatever we did for the last two hours.

It is unfortunate the Public Service Commission is under the purview of the Minister of Public Works. It does not really seem to be an appropriate place. Apart from the personalities and individuals involved, which I feel is probably better not to get into, when you look at Public Works and Services there seems to be a heavy responsibility in that department for the physical facilities of the Province, for the construction of new facilities, for the maintenance of them, and a number of other areas.

To put in a piece of legislation

like the Conflict of Interest Act and to leave it underneath Public Works and Services seems to be misfiled somewhat. Perhaps it more appropriately should be under the Minister of Justice or even perhaps under the Minister of Finance, although perhaps the Minister of Justice would be in a more appropriate place since it already is under the Minister of Finance. It seems that that kind of an administrative thing, which has legal implications and so on, would be more appropriately filed somewhere else, or more appropriately under the purview of some other minister.

The other comments I would have, Mr. Speaker, are that the Conflict of Interest Act, in general, is designed to bring a degree of confidence towards elected officials in this House and senior civil servants on the part of the electorate, a feeling that they are doing their job in the best possible interests of the community as a whole, rather than in any specific, partisan point of view. On that basis, it always seemed to me that the Conflict of Interest legislation alone was a very limited way to ensure that kind of accountability.

I would like to put in a pitch for my favourite bill at this point which has never come up and the one, of course, which the Premier also committed himself to over the last eight or nine years. We need a decent elections act in order to complement this piece of legislation, the Conflict of Interest Act.

I think that it is not just the personal finances of an individual that is at stake here, it is also the collective responsibilities and interests of individual

parties that must be held to account. Only a good elections act forces disclosure of wherever the money comes from and also enforces that the pay out from these particular funds are well accounted for and are made public. I think this would do more in restoring confidence to the political system than any Conflict of Interest Act because it then addresses one of the major areas in which influence can be brought to bear upon politicians.

I think that it would be appropriate to mention that today because the Minister of Justice (Ms Verge) has indicated to us in the last three or four weeks that the present Elections Act in the section in which disclosure is forced is totally deficient and has no enforcement provision. We are now in a position where even the very weak legislation that would force disclosure of where the money comes from in order to finance election campaigns is unenforceable. Rather than continue on without these kinds of provisions, I think it is appropriate that the provincial government or the government across the way initiate some action to bring in a full scale elections act to force the kind of disclosure we need.

I know the minister mentioned to us when she did have her comments on it that there is an elections act in the works and I think that we all know that the draft election act was prepared for the member by a committee headed by the member for St. John's North (Mr. J. Carter). It tabled its report in November or December of 1983, which is now close to four years ago, and we have yet to see that legislation coming forth as a government initiative. I would

suggest that perhaps it is because the legislation itself is not only not satisfactory to our side in a lot of respects, but it is probably not satisfactory to the government side and it is in fact incapable of being rescued.

I would like to suggest to the Premier and to the Minister of Justice since they are both in the House this evening, that they give us some indication when they expect to have a new elections act would complement this kind of legislation so that the population of our Province, who have a right to know that our legislators and our top civil servants are free of undue influence, would have the complete picture, not just the holdings of the individual members here, not just their interests and so on, but also the financial interests that support of the various political parties, and the payments made from them and what really we are talking about when we talk about the financing of elections and all the other things that go with it. Mr. Speaker, with those few comments to the Conflict of Interest Act, I will sit down.

On motion, a bill "An Act To Amend The Conflict Of Interest Act, 1973," read a second time, ordered referred to a Committee of the Whole House on tomorrow. (Bill No. 6).

MR. OTTENHEIMER:  
Order 13, Bill No. 23.

Motion, second reading of a bill, "An Act To Amend The Canada-Newfoundland Atlantic Accord Implementation (Newfoundland) Act." (Bill No. 23)

MR. OTTENHEIMER:  
Mr. Speaker.

MR. SPEAKER:

The hon. the Government House Leader.

MR. OTTENHEIMER:

Mr. Speaker, this is an act to amend the implementation act of the Atlantic Accord. The provincial legislation with respect to the Atlantic Accord was passed, or given Royal Assent I think, June 6, 1986, and the federal legislation March 25, 1987, and then they were proclaimed on the same date, April 4, 1987. That act itself provides that neither the Province nor the federal government will introduce amendments to the legislation or to the regulations except with the agreement of both orders of government. So these are amendments.

Number one, they are of a quite technical and specific nature, and amendments which have been agreed to by both governments and which the Province fully concurs with and which are now being introduced so that the provincial legislation will be in agreement with the federal legislation and these changes in the federal legislation are changes which were entered into with the full concurrence of the Province.

So I suppose one could well say, "Why, after these acts being passed not too long ago, is it necessary to make certain changes?" I suppose the answer to that is that no legislative draftspeople are perfect or foresee every possibility. I have never looked at the percentage but I would think a good percentage of legislation introduced in this Legislature or any are amendments to existing legislation, certainly much of it is.

I will go through the various areas and, as I say, they are fairly technical. One aspect deals with liability insurance. It is an amendment to an existing section of the Act. The Canada/Newfoundland Offshore Petroleum Board have brought out the fact that personally liability for acts of the board could be a problem for them. The amendment will obligate the board to purchase liability insurance to protect the individual members of the board and its staff from personal liability for acts of the board. This is pretty consistent with insurance of professional people in terms of practicing members of the bar, in terms of medical insurance and, I am sure, in other professions as well.

There is also a provision that if the board cannot obtain such liability insurance, both governments, federal and provincial, agree to indemnify and to share that on a 50/50 basis. That is essentially what that is, dealing with liability insurance for the members.

Clause 2 is very technical stuff which amends a section of the Act whereby a significant discovery declaration made by the board entitles an owner to obtain a significant discovery licence. This, of course, can lead to a commercial discovery licence if, in fact, a commercial discovery is made. There are a whole series of licences going from an exploration licence, then a drilling programme approval and authority to drill, then a declaration of significant discovery, which we are talking about here, which is usually a portion of the exploration licence area. Then a significant discovery licence and also with

that an authority to drill. Then a commercial discovery declaration, a commercial discovery licence, and finally a production licence, the whole series of them.

A significant discovery licence gives the owner the exclusive right to drill and test for petroleum. This amendment would preclude the offshore board from amending the declaration of significant discovery by decreasing the area contained in the declaration or revoking the licence except after certain time periods have passed which would be stipulated, no doubt, in their licence. In the case of land subject to an exploration licence, the date would be when the exploration licence expires. In the case of a Crown reserve area, which is area where no private interests are in effect, the significant discovery licence could not be amended or revoked until three years have passed after the date of the significant discovery licence. The present provisions of Section 70 contain no such time limit. It is a protection for people who, operating under legitimate licences, have presumably spent a lot of money.

The third area, Clause 3, pertains to a production licence and it provides for a further right to the owner. When a production licence is issued, and that is the final step in all of these, so that the licensee may be able to continue to explore, to drill and to test for petroleum, in other words, along with the production such a licensee may continue to explore.

Clause 4 deals with Canadian ownership requirements which is

essentially in the area of federal legislation. There is a requirement in the federal legislation of 50 per cent Canadian content before a production licence is issued. This will show that where these rights are waived, the amendment would provide that the production licence will be issued by the board and not by the federal minister, as is presently set out in the act. That, of course, is consistent where the licences are given by the federal - provincial Offshore Board, rather than by one or another order of government.

Clause 5 is quite straightforward. It deals with the Environmental Studies Research Fund and this is a national fund which is funded by levies assessed on companies engaged in exploration under the Atlantic Accord. It was agreed that the fund would continue to apply in Newfoundland subject to the rates in the Newfoundland offshore being approved by the board. As well, it was provided that a Newfoundland member of the Petroleum Board would be appointed to the Environmental Studies Management Board. Actually, that has been done and the person so appointed, Mr. John Fitzgerald, is Vice-Chairman of that Offshore Board. This amendment is required to reflect the repeal and replacement of the COGLA Act and also to provide that one of the members of the Environmental Studies Management Board would be appointed by the Petroleum Board on the recommendation of the minister. That is where Mr. Fitzgerald is the person so designated.

The next refers to Clause 6. Presently the section provides that where an interest is

transferred, the interest holder must give a copy of the agreement affecting the transfer or a summary of the agreement, if the board approves. This reverses it. The amendment would provide that a summary only of the agreement will be provided unless the board requests the full agreement. Myself, I cannot speak to a very great extent on that. It seems to be very technical and very bureaucratic. It just reverses the order.

Clause 7 dealing with disclosure of information. The amendment would provide that geological or geophysical work could not be released until five years have expired from the date of completion of the work. Presently the section provides that it could be released after the reversion of the offshore area to Crown reserves, or five years, whichever is earlier. Secondly, the amendment changes the reference to the COGLA Act to the Petroleum Resources Act. That is like amendments in our Anomalies Act, just to reflect changes in legislation.

Clause 8 is like a sunset clause dealing with the Development Fund. It is essentially a sunset clause.

Clause 9, Environmental Studies Revolving Fund, this limits the payment of back levies made for the Environmental Studies Revolving Fund to two years. The previous act held the interest owner liable for all back payments with no such two year restriction. The amendment would apply to the provisions of the Canada Petroleum Reserve Act and limit the payment of such back levies to two years. Then, of course, there is a commencement of legislation clause and this is

required because the Canadian Petroleum Resources Act had been proclaimed into force to replace the COGLA Act.

So it is extremely technical and it is not a way one likes to introduce legislation, but that is what it is, very technical matters which have been agreed to by both orders of government and are being now incorporated into the provincial legislation. I do not think there are matters really of great controversy there.

MR. BARRY:  
Mr. Speaker.

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

MR. BARRY:  
Mr. Speaker, I will deal with the technical matters first, but the real question to be raised by this Accord coming before us is when this Province is going to see the benefits that were promised at the time of the signing of the Atlantic Accord.

SOME HON. MEMBERS:  
Hear, hear!

MR. BARRY:  
We have gone through several sessions of the House and tried, without success, to obtain information. We have tried to obtain the sort of basic information that if Joey Smallwood were coming in here trying to get the Churchill Falls contract approved, members opposite would be condemning him and, in fact, have been condemning him for the last seventeen years, even though he has shown himself willing, and when he was here in this House, did show himself willing to lay on the table the facts and the

information.

It was information which, when laid on the table, did not prevent the Government House Leader and present Minister of Energy (Mr. Ottenheimer) from voting in favour of the Churchill Falls contract.

SOME HON. MEMBERS:  
Hear, hear!

MR. BARRY:  
In light of the scourging that Mr. Smallwood and the Liberal Party has received because there was -

AN HON. MEMBER:  
A flaw.

MR. BARRY:  
Yes, say a flaw in that agreement in that there was no provision for escalation in the event of -

PREMIER PECKFORD:  
You said more than that a few years ago.

MR. BARRY:  
Not too much more. I do not think the Premier has said too much more than that either, judging by the pictures that I have seen of him with his arms around Mr. Smallwood from time to time.

SOME HON. MEMBERS:  
Hear, hear!

MR. BARRY:  
Maybe the Premier can participate in this debate and tell us the other fundamental flaws in the Churchill Falls agreement. I think we all agree on both sides of this House and we have in debate from time to time that it was unfortunate that there was not an escalating provision in the Churchill Falls agreement. Can you imagine the scourging that Premier Smallwood would have

received. if he had attempted to put forward or had succeeded in putting forward and getting passed the Churchill Falls legislation without putting out certain fundamental facts, such as; What was the project going to cost? What was going to be the cost of a megawatt of power from Churchill Falls?

Do we get that sort of information from members opposite when we consider the Atlantic Accord? After years and years of debate in this House, we still have to hear from the Minister of Energy anything that would indicate to us what will be the cost of a barrel of oil from Hibernia.

MR. REID:

What a change in a record!

MR. SPEAKER:

Order, please!

MR. REID:

What a change!

MR. SPEAKER:

Order, please!

MR. BARRY:

Mr. Speaker, I not sure you should cut him off because that is the only time I have heard the member opposite, -

SOME HON. MEMBERS:

Hear, hear!

MR. BARRY:

- except when someone has written a speech for him in the context of an Address in Reply or something.

I welcome the input of the member for Trinity - Bay de Verde (Mr. Reid), and I ask him to stand up and to debate these provisions to the Atlantic Accord.

SOME HON. MEMBERS:

Hear, hear!

MR. BARRY:

We are all going to be waiting.

Mr. Speaker, the amount of information that has been put forth in terms of offshore development, in terms of the cost of a barrel of oil from Hibernia, is shocking and shameful. It is an insult and an abrogation of the public right to know because, Mr. Speaker, we have a government that is trying to keep the people in the dark, trying to conceal information, trying to skate on thin ice and hope that somehow they will be bailed out of the embarrassing predicament of having laid out the Atlantic Accord as being Newfoundland's answer to sliced bread, and now they cannot deliver.

I was interested in seeing the Premier at the New England Governors' Conference, and his comments were carried on the Newfoundland Information Service, starting to speak glowingly about floating platform technology. This is the new secret to success offshore, floating platform technology. We see the Minister of Energy down, I believe, at the offshore petroleum show, talking about the keen interest in developing these smaller fields through utilizing floating platform technology. I believe we even got a little bit of information out of the minister. It slipped out, maybe because certain industry officials had already made it public, that at \$19.00 a barrel, you could cover the cost of developing the Terra Nova field, utilizing a floating platform.

We have made a significant



breakthrough, Mr. Speaker, in that we have had the Minister of Energy come forth and actually lay some information, not before the House of Assembly, but before another group, another audience, most of whom were from out of Province. Maybe he was hoping that it would not be reported and would be passed over and would not be picked up by members of the House. But now that he has passed over information with respect to the cost of developing Terra Nova, when are we going to get the cost of developing Hibernia? What is the cost per barrel of oil to develop Hibernia?

MR. J. CARTER:

Do you think there are too many wells?

MR. BARRY:

Mr. Speaker, there is one large well in this House and it is the black hole that is occupying the chair of the member for St. John's North.

SOME HON. MEMBERS:

Hear, hear!

MR. BARRY:

I have to confess it is not the well or fount of all knowledge that I am talking about here.

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

Order, please!

MR. BARRY:

Mr. Speaker, we are debating certain technical provisions which I was going to get into but I got carried away. Mr. Speaker, once again we are asked to vote on the Atlantic Accord. This time on an amendment to the Atlantic Accord without yet knowing certain

fundamental information, such as the cost of a barrel of oil from Hibernia, but it is not going to go away. That question is not going to go away. We are going to continue to ask it and we are going to continue to demand the information.

Mr. Speaker, we are getting bits and pieces, again from industry more than from government, as to what is going on in the negotiations between government and Mobil and the federal government. We hear from a Mobil Oil official that they are not looking for handouts. That is nice! That is kind of them. We are glad to hear that. They are not looking for handouts, but what they are looking for is a way of getting out their investment before government gets anything. In other words, before the people of this Province get anything. Now, that is a nice trick if they can pull it off. Let the people of the Province take all risk, Mr. Speaker -

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

Order, please!

MR. BARRY:

Mr. Speaker, the problem with night sittings are the refreshments that are taken between the two sessions of the House. So I am glad, Mr. Speaker, that we have everybody in a jolly mood, but now we have a serious question before this House and that is: What are the benefits of this Atlantic Accord?

The time that we are spending debating the Atlantic Accord, Mr. Speaker, we could be debating job creation for young people; we

could be debating unemployment insurance reform; and we could be debating why our hospital beds are being closed down.

When we have the Atlantic Accord held up as the answer to all these problems, as the answer to more money for hospital services, more money for education, and more money for water and sewer, we have to ask how we are going to be getting all that money if Hibernia is going to be developed, according to industry, on the basis of industry getting their money out before this Province sees a copper or a plugged nickel. I hope that that is not what is happening. I ask the minister to tell us: What is the basis of the negotiations? He does not have to give us the secret detail. All he need do is give us the general guidelines. He should give us certain fundamental information, such as: What is the cost of getting a barrel of oil from the Hibernia field? If we know that, then we know how far government is behind the eight ball in the negotiations or possibly, if the cost is less than \$19 a barrel, which we all doubt, maybe government is in a good negotiating position.

This is the sort of fundamental information, Mr. Speaker, that history will condemn members opposite for refusing to reveal if they, once again, ram through this amendment to the Atlantic Accord, Mr. Speaker, without giving this information to the House. We, on this side of the House have to say, while we do not want to hold up technical amendments to the act, we cannot see ourselves voting once again in the dark, Mr. Speaker. We cannot see ourselves giving some form implicit approval to a blank cheque.

We ask the minister, if he is looking for the support of the Opposition in these proposed amendments, let us have more information in his closing remarks than he has given in the opening remarks.

On the technical details here - liability insurance for the board - the question is why should they have liability insurance. Why is not the indemnity of the provincial government and the Government of Canada adequate and sufficient where the taxpayers would be spared the expense of paying premiums to some insurance company? We all know that it is unlikely to be a good Liberal insurance firm. Mr. Speaker, government - and I do not mean to impute any partiality on the part of the board - but insofar as members opposite can influence the way this insurance goes, then we will be looking very, very closely at what happens.

Mr. Speaker, the question always arises, whether it be in terms of insuring minister's automobiles, whether it be in terms of insuring vehicles that government may use for the Department of Forestry: Should government pay insurance premiums or is it appropriate for government to self-insure? That question comes up once again. Government has the financial resources to self-insure and we have to ask why they will be expending insurance premiums to purchase this insurance. We believe that an indemnity would be sufficient for board members, an indemnity from the provincial government and the federal government.

The second point is the most serious question that we have, Mr. Speaker. The minister has not

really answered it. What is happening here is that oil companies, at their request, are being given a concession. They are being given certain exclusive rights. Once an area has been declared subject to a significant discovery and a significant discovery licence is obtained, that gives that company the exclusive right to explore and produce oil. If a commercial discovery licence follows, the company has the exclusive right to explore and produce. If this is in an area of Crown reserve where no private interests are involved, one has to ask: Why is government making this concession to the oil companies? Is this a warm up to the negotiations involved in getting Hibernia underway? Is this a bone that government has to throw to the oil industry? Are we starting to give the shop away already?

Mr. Speaker, I have serious reservations about this provision because my experience has been, whenever the oil industry comes and pushes strongly for a concession of this nature, you can be sure there are big bucks involved. It is a very serious thing for government to give up this type of concession lightly. The minister has not given a sufficient explanation as to why he is doing it. We have serious concerns that he has given the shop away to the oil companies once again.

Mr. Speaker, most of the other matters are not of a significant nature. Clause 3 just clarifies the issuance of a production licence and says that a company is entitled to produce, but it does not say they are entitled to explore in the area covered by the licence. Obviously that is just

an oversight in the act. It is worth clarifying and it is something that we can support.

Clause 4 provides "that a production licence be issued by the board and not by the minister." The minister might correct me. Is this something that is already covered in the Atlantic Accord? I believe the Accord did contemplate that the board would issue the production licence but the minister does have certain rights of input into that decision under certain circumstances. The minister is nodding, yes. That is my recollection, but I am not sure.

Another clause we have reservations about the minister has listed as Clause 4, Canadian ownership requirements. I do not think it is Clause 4 though. Is it? Clause 4 of the Act deals with an amendment to section 90. Mr. Speaker, we have not seen the Government of Canada act exactly like a tiger when it comes to protecting Canadian ownership interests. The history of the present Mulroney administration is one of kowtowing to US interests and that may explain, to a large extent, the reason they have dropped in the polls. That, plus their callousness with respect to senior citizens and, at least in the early term, their callousness with respect to social programmes generally. They seem to be wisening up a little bit and they have backed off from the Unemployment Insurance recommendations of the Forget Commission, although one has to decry the fact that they did not have the courage to go ahead and bring in some significant improvements in that system.

Mr. Speaker, our antennae are

raised when we see an amendment being requested so that the Government of Canada, the federal minister be given the discretion to waive Canadian ownership requirements. Maybe that jurisdiction already exists in terms of the federal jurisdiction with respect to international trade and exports, but prior to, at least before members opposite lost the court case, one could have anticipated the provincial administration having the ability to have input to ensure that not only Canadian ownership requirements were there, but as far as possible, Newfoundland and Labrador ownership requirements were there.

We now see members opposite backing away from all this great talk about local content and we see them being prepared to pass over to the Canadian minister the discretion as to whether or not, not just Newfoundland content will be required, but whether, in fact, Canadian content and ownership will be required in the issuing of production licences. As I said, maybe the minister and the present administration had very little choice once the Supreme Court of Canada case was lost and once the Government of Canada decided to play hard ball. As I think the Premier said in the initial debate on the Atlantic Accord, 'it is not a perfect agreement, circumstances change,' and they got what they could get.

One of the circumstances that changed was that members opposite started to lose courage, members opposite started to become lap dogs of the Mulroney Administration because they discovered -

MR. MORGAN:

No way.

MR. BARRY:

No?

MR. MORGAN:

No one over here is a lap dog to Mulroney.

MR. BARRY:

Maybe the polls are once again have a beneficial influence on the member for Bonavista South. He has always had a good political nose, I have to say that to the member, and maybe he has gotten a smell of how the political winds are blowing. It is for that reason he is prepared to jump off the Mulroney band wagon.

Do you remember the great era of consultation and co-operation that we heard of during the two years following the Mulroney Administration's victory? We heard time after time the Mulroney Government was going to be everything that this Province could hope for.

DR. COLLINS:

(Inaudible) just suck-in events.

MR. BARRY:

Maybe, Mr. Speaker, we could accept that as being a smart political trick if it were only members in this House that were being sucked in, but I think we have a very serious admission from the Minister of Finance. I think we have finally confirmation that what we have been saying is correct and that, in fact, members opposite sucked in the general public during the last election.

SOME HON. MEMBERS:

Hear, hear!

MR. BARRY:

Sucked in the electorate! The

Mulroney Government sucked in the electorate. They sucked in the Mulroney Government. Maybe we could get a little bit of information when the minister speaks in the debate. Was the attempt to suck in the Mulroney Government when you rolled over, played dead and said, 'We will not insist upon having a Newfoundland Crown corporation involved in the offshore. We will delete that. We will pair up the Newfoundland regulations. We will tear up that great idea that was put forth.' That was a throw away. That was the first attempt to suck in the Mulroney Administration.

Whenever members opposite went out and said, 'We have to have Newfoundland content, we have to have our own corporation in there as a window on the industry similar to Petro-Canada,' that was a throw away. That was false and deceitful. That was an attempt to hoodwink the general public. What else did we have in terms of trying to suck in the Mulroney Administration? What about our floating platform versus fixed platform? What about our emphasis on having a fixed platform? Is that another throw away? Were we are going to suck people in on that? The other throw away now: What about those 20,000 jobs that were promised as soon as the Atlantic Accord was signed? Was that a throw away? Was that a suck-in or was that an honest estimate of what we were going to get?

Mr. Speaker, we have serious reservations about this attempt to water down the Canadian ownership requirements of the Atlantic Accord. We object to this clause and we ask that it be removed. We cannot support that.

Clause 5, the Environmental Studies Research Fund, is a technical amendment. It does not seem to cause too much concern. Clause 6, the transfer of interests, is only an evidentiary technical matter and not of any great concern. Disclosure of information is the same thing.

The Development Fund Committee is a curious one. The Atlantic Accord now provides that this Development Fund Committee can be dissolved by legislation. Why go to the trouble of saying that it can die a natural death or that the ministers can wipe it off the face of the earth without coming back to the Legislature? Is it because the minister and members opposite are actually contemplating this is what will happen and they will be too shamefaced to come back to this Legislature?

Mr. Speaker, we have reservations about taking away rights which have been given in legislation to this Legislature and we cannot support the concept of giving the right over to the minister now to get together with the federal minister and to do away with this concept of a development fund behind closed doors, in the dark, without coming before the Legislature. Those, Mr. Speaker, are the only significant points, I believe, we should make here.

I will also say the new Energy Minister has another act coming up in a moment to create a new Department of Energy. I suggest to the minister, indeed, I implore the minister, let us start off by turning a new sheet. Let us start a new approach. Let us start off with a Department of Energy that believes in operating with full public disclosure of basic

information. Let us have that fundamental disclosure on matters of importance and let us start off by the minister telling us, for the Hibernia field to be developed, if there is no government subsidization, if there are no government concessions to the oil companies, what should be the international price that would see that project be profitable? Let us look at it another way. Without subsidies, without government giving concessions to the companies, with that field developed, at the flow rates or the production levels that are contemplated, what will be the cost of each barrel of oil produced?

I did a rough calculation here one day while I was standing on my feet using the numbers in the Mobil development plan, but without knowing and without having the benefit of knowing, as the minister does, what is the interest during construction that the companies would apply and what is the rate of return that the companies would look for without plugging in anything for interest during construction, anything for profit for the companies, a rate of return for the companies, anything for taxes to both levels of government -

AN HON. MEMBER:  
Eighteen?

MR. BARRY:  
No, it was over \$20.00 a barrel, between \$21.00 and \$23.00 a barrel is my recollection.

I think it behooves the Minister of Energy to start a new era. Let us have an era of public disclosure and let us have the minister just give us a ballpark figure.

MR. MORGAN:  
Is it \$18.00 Canadian?

MR. BARRY:  
No, no. I was working it out in U.S. dollars, over \$20.00 U.S.

MR. MORGAN:  
(Inaudible) 1984-85.

MR. BARRY:  
Yes.

Mr. Speaker, I would ask the minister to stand up and give us some basic information, even if it is within a range and even if it is based on a scenario. We are not asking for secret information as to the negotiations, but what we are asking is for some basic, fundamental information that would let the people of this Province plan their lives and would let businesspeople decide whether they should invest and get ready for the offshore. It would also let the ordinary, average Newfoundlander decide, 'Should we remain here or in a particular part of the Province in expectation that there will be jobs and there will be employment?'

If there is anything the government owe the people of the Province, they owe them the basic information they need in order to plan their lives.

SOME HON. MEMBERS:  
Hear, hear!

MR. OTTENHEIMER:  
Mr. Speaker.

MR. SPEAKER:  
If the minister speaks now, he will close the debate.

The hon. the Government House Leader.

MR. OTTENHEIMER:

Thank you, Mr. Speaker.

Mr. Speaker, a slight exchange of viewpoints here. First I would like to reply to the opinions expressed by the hon. member for Mount Scio - Bell Island with respect to specific clauses, and then I will have a few words in the more general area.

I made four notes here with respect to specific clauses. One deals with the question of liability insurance. The only answer I can give there is that this appears to be, certainly in the opinion of the board and also in the opinion of both governments, the appropriate way to go in terms of liability insurance. This is a board the members of which are responsible to two orders of government. While nobody likes to think it, obviously governments, especially when there is a change and if there is a change - no doubt federally or provincially there will be a change sometime, it might be twenty or thirty years hence - but that change can sometimes be reflected in terms of the parliamentary supremacy of agreements which have been entered into. It appears, and the provincial government agrees, that the provision of liability insurance through an insurance company, if that can be arranged, is quite appropriate in these circumstances. That is really the only thing I could say there.

With respect to the hon. gentleman's comments with respect to clause 2 dealing with a significant discovery, as the hon. gentleman is aware, the amendment would preclude the board from amending the declaration of significant discovery by

decreasing the area contained in the declaration or revoking the licence, except after a certain period of time had passed. This is to give a certain surety to these companies which expend huge amounts of money. It is necessary, if people are going to spend tens of millions of dollars, that they have a certain sense of assurance and confidence. It appears to this government that that is quite reasonable.

The other aspect of it deals with the case of land, subject to an exploration licence. The date would be when the exploration licence expires. Then, in the case of a Crown reserve, where there are no private interests, the significant discovery licence could not be amended or revoked until three years have passed after the date of the significant discovery licence. There is no limit in the present legislation and this, again, is to give a certain sense of confidence and security to companies which have invested enormous amounts of money.

Obviously, it is always a saw-off or a judgement call. Most of us recognize that if the private sector is to invest huge amounts, then there has to be a certain feeling of confidence and security. This, in the opinion of both federal and provincial governments, is the appropriate way of doing it. There can naturally be differences of opinion with respect to that, and that is fair enough.

With respect to clause 4, the Canadian ownership requirements: Basically there are two points there. One perhaps is a criticism with respect to federal legislation which requires 50 per

cent Canadian content before production licence can be issued. The Province agrees with the federal government's position here. Neither the federal government, nor does the provincial government, share the position which was taken by the former Liberal administration in Ottawa under their policy of, for lack of a better term, economic nationalism. It sounds nice and it is a great rallying cry, but really, it has not proven to be successful in Canada. I think, maybe - and I am not going to speak on this to any great extent, it is sort of a philosophic -

AN HON. MEMBER:

Carried, carried!

MR. OTTENHEIMER:

No, I do intend to speak on it to a certain extent, not to a great extent, but to a certain extent.

It appears that that philosophy was not particularly productive. I believe it is based on a bit of an inferiority complex in Canada, that if we have foreign investments, somehow we are going to lose control of our destiny. Surely, in Canada, both in the federal areas and the provincial areas of jurisdiction, we have the intelligence, the ability and the legal powers to preserve what is important to preserve. I think that that can be done.

The fourth note I made was with respect to clause 8, which is a sunset clause. The hon. the member for Mount Scio (Mr. Barry) suggested that when the development fund is completed, then the thing would be terminated through an act of the Legislature. What this amendment does, I imagine it is really more for the convenience of the

legislative draftsmen than anything else. It is a technique which is used a great deal in the United States and, I think, more and more in Canada, and that is building in sunset clauses. When the time for a certain programme has expired, then it dies. There is always the ability of governments to bring it back, but without requiring specific legislation to end it when its natural end has arrived anyway. I see that as perfectly acceptable. The amendment provides that it will be dissolved three years after the last payment. Three years after the last payment, why bring in an act to bury what is already buried? It is a technique for putting a programme to an end.

MR. BARRY:

Your sunset clause is the next election, which is another topic.

MR. OTTENHEIMER:

Well, I would not, if I were the hon. gentleman, bet too much money on that because politics, as the hon. gentleman knows, is very much like quicksand.

MR. BARRY:

Not quick enough for some of us.

MR. OTTENHEIMER:

I feel quite confident there will be no election within the next twenty-one days. I do not think that, although I am not sure where the Premier is now. I do not suppose he is down preparing a writ of election. He probably would not tell me if he were.

Be that as it may, to get into the more general areas referred to by the hon. gentleman with respect to exploration, there is no need to go over that. Everybody knows that there are five wells and two rigs with respect to Terra Nova



and with respect to Bow Valley, as well as one announced just a couple of days ago in a Ministerial Statement here with respect to Northcor.

Essentially, in the more general area, what the hon. gentleman was saying was. history will condemn the government, condemn me, condemn the whole bunch, -

MR. SIMMS:  
Never.

MR. OTTENHEIMER:

- moreso you perhaps, because we have not given sufficient information. The hon. gentleman wants me to give an assessment or an opinion of what the price of a barrel of oil would have to be in order for Hibernia to be profitable. I think also what rate of return for the companies we would see as equitable or as appropriate. There was some reference with respect to rate of return and the rate of return to the companies. Then also to suggest, by giving people some kind of an overall assessment, whether local business enterprises should, in fact, invest in the offshore because chances look good or chances look bad. I have been around twenty or twenty-one years, the hon. gentleman has been here a good while too, and the points he makes are fair enough. If I were sitting on that side I would make the same points.

MR. BARRY:  
And you have sat on this side.

MR. OTTENHEIMER:  
Indeed I have, yes.

I am sure the hon. gentleman and the House knows a joint federal/provincial position went to Mobil and partners in March.

We are expecting a reply from them in late June or early July. It would be irresponsible for me to say anything that could in any way jeopardize those negotiations.

If I am going to say what the price of a barrel of oil should be in order for Hibernia to be able to be developed now, that would be disclosing opinion and data and what it is related to which would have to weaken our position in those negotiations. If I were to indicate what the rate of return should be, I would be telling the companies, would I not, or the government would what our upper line is, what our bottom line is, where our negotiating position is, what this is, what that is and what other things are. Whether people should invest or should not invest, I cannot give that information because I do not know what the reply is going to be until it comes. 'History condemn me for not giving this information,' I think history would condemn me one hell of a lot more if I were to say or do anything which could jeopardize or undermine the position of the Government of Newfoundland, which in this area has to be in the interest of the people of Newfoundland. I prefer to run that risk. I prefer to run the risk of being accused of not giving this information in the House rather than to run the risk of being accused, and quite justly and understandably so, in order to placate any hon. members or in order to appear in a very favourable light, to act in such a way which could jeopardize Newfoundland's position. So I cannot do that and I think it would be improper for me to do so.

I have listened with care and

attention to the hon. gentleman and I know it is an area in which he has a lot of knowledge and experience and, no doubt, interest. Indeed, we sat next to each other for a period of time and certain of these matters were discussed at that time. But I really cannot publicly give opinions, personal or private, on those matters.

So I move second reading.

SOME HON. MEMBERS:

Hear, hear!

On motion, a bill, "An Act To Amend The Canada-Newfoundland Atlantic Accord Implementation (Newfoundland) Act", read a second time, ordered referred to a Committee of the Whole House on tomorrow.

MR. OTTENHEIMER:

Order 14, Bill No. 17.

Motion, second reading of a bill, "An Act To Amend The Day Care And Homemaker Services Act, 1975". (Bill No. 17).

MR. EFFORD:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Port de Grave.

MR. EFFORD:

Thank you, Mr. Speaker.

Well, Mr. Speaker, you talk about surprises. Does the minister want to have the opportunity to open the debate?

SOME HON. MEMBERS:

He already did.

MR. SPEAKER:

The hon. the member for Port de

Grave.

MR. EFFORD:

I am not surprised, Mr. Speaker, that this would happen, but I want to take the opportunity to say a few words to this particular bill, because I think it is a very important bill and it affects day care centres. But for the Minister of Social Services, after all the controversy that we have heard here in the House of Assembly for the last two weeks -

MR. BRETT:

A point of order, Mr. Speaker.

MR. SPEAKER:

A point of order, the hon. the Minister of Social Services.

MR. BRETT:

It was my understanding that we started second reading on this bill some days ago, and the hon. the Leader of the Opposition (Mr. Simmons) adjourned the debate on this bill.

SOME HON. MEMBERS:

No, no, no.

MR. BRETT:

Yes, yes, yes, Mr. Speaker.

MR. PEACH:

Charlie is right.

MR. BRETT:

Yes, I am right.

MR. SPEAKER:

Order, please!

The Table informs me that on May 8 the hon. the Minister of Social Services did speak on Bill No. 17 and he was followed by the hon. the Leader of the Opposition.

MR. BRETT:

Mr. Speaker, to that point of

order.

MR. SPEAKER:

To that point of order.

MR. BRETT:

The hon. the Leader of the Opposition adjourned the debate, and when you, Mr. Speaker, called this again for second reading, I got up and obviously I called for second reading because the hon. the member who adjourned the debate did not get up. I assumed that he was going to, and when he did not then I got up and I called for second reading of the bill, which is in order, Mr. Speaker.

MR. SIMMONS:

To that point of order, Mr. Speaker.

MR. SPEAKER:

To that point of order, the hon. the Leader of the Opposition.

MR. SIMMONS:

Mr. Speaker, I am not sure it is a point of order. The real error was in the printing of the Order Paper, of course. But aside from that, my friend for Port de Grave has some things he wants to say on the bill. And the minister is not really being candid with the House when he suggests that he can just get up and close debate without even the Speaker calling to the attention of the House the fact that if the minister speaks he would close debate on the matter. So for him to assume that, for him to suggest that is to suggest at least some naivety on his part. So, Mr. Speaker, it is true I adjourned the debate, but my friend for Port de Grave is our spokesman and he is going to continue, if he may.

MR. SPEAKER:

I have already recognized the hon.

the member for Port de Grave.

The hon. the member for Port de Grave.

SOME HON. MEMBERS:

Hear, hear!

MR. EFFORD:

Let me start off first, Mr. Speaker, and apologize to the Minister of Social Services.

SOME HON. MEMBERS:

Hear, hear!

MR. POWER:

There is the first time for everything, I suppose.

MR. EFFORD:

When it is necessary we do what we have to do, but I sincerely apologize.

Mr. Speaker, I want the opportunity to speak to the bill because, number one, I am the Opposition critic for Social Services, and, number two, I am very concerned about day care in the Province of Newfoundland and Labrador. I want to start off by giving you some idea of where the Province of Newfoundland and Labrador stands on day care. Even the remote Yukon Territory has centres which provide twenty-four hour day care services, and this type of child care service is virtually non-existent, Mr. Speaker, in Newfoundland and Labrador.

Now in this bill the minister has placed here, there are two things that he has asked to be taken care of. One is that was the word 'full' be omitted, and very sensibly so because a full day care service only takes care of part of the programme which is required in the Province of

Newfoundland and Labrador. When you look outside the areas of St. John's and Corner Brook, there is very, very little day care service to even get consideration from Social Services, or a critic or any group around the Province, because it is practically non-existent. One of the reasons given for this state, and we hear complaints from around the Province and know about all the requests put to the Department of Social Services, is, as in any other department, the problem with finances. Here we sit in 1987 and we cannot even provide decent day care services for the children of working parents of our Province. We wonder why but I think it was very clearly explained over the last two weeks why we have the problem that we have right now in the Province. It was stated by the Premier, and then the Minister of Social Services explained his own views as to why the problem existed. He did not say that they are not interested in day care, but he expressed very clearly to the people of this Province that he as an individual, as a person has a personal idea about day care centres, but when he goes into the Cabinet room he has a completely different idea, he puts forth a different view. Now that says it all. That is where our problem lies. It lies in the fact that the minister himself is not recognizing the seriousness of the problems of day care in the Province of Newfoundland and Labrador, and it all boils down to attitude and it boils down to dollars and cents.

I heard the Premier of this Province stand in the House of Assembly a week ago and say very clearly, it is written in Hansard, that we do not take a backseat to any other province in Canada, but

all statistics show very clearly that Newfoundland ranks number ten, of all other provinces in Canada, in the amount financial input into day care centres.

DR. COLLINS:

In relation to what?

MR. EFFORD:

There is no reason why, in this day and age, when we see the amount of expenditures the government is putting out in other areas, that this Province should rank number ten. I will give you an example of where we stand in per capita expenditure. In Newfoundland we spend on children up to twelve years of age, \$4.66; in Prince Edward Island, they spend \$31.00; in Nova Scotia, they spend \$36; in New Brunswick, they spend \$21. They spend \$118 per capita in Alberta. In Newfoundland we spend \$4.66.

The minister, the government, the Premier justifies this by saying that we do not have the money. Well, I would ask the minister to check with his counterpart, the Minister of Finance, (Dr. Collins), to see if they cannot come up with some extra money to put into day care. I will give you an example of where we can come up with some more money. Their Minister of Finance has admitted to the people of this Province, and told them very clearly that there is somewhere in the vicinity of \$11 million to \$13 million in uncollected RST. If we have \$11 million in uncollected RST in this Province it shows that the Minister of Finance, his department and the administration is not doing the job properly.

Each consumer in Newfoundland pays 12 per cent sales tax on every product bought. Each business

selling an article collects 12 per cent sales tax and that 12 per cent belongs to the provincial government. The problem lies, number one, right at the top, because they are not collecting the sales tax. By the fifteenth of every following month those taxes are supposed to be sent in, and if the auditors and the collectors in the Department of Finance had some guidance from the minister, if there was some discipline in that particular department, the amount of money owing in RST could not possibly climb to \$11 million. If that \$11 million, or a good portion thereof was collected, then we could put an extra \$10 million or \$11 million in day care centres, where it is needed. That is one area where the Treasury and the Department of Social Services could come up with a number of million dollars to improve the day care centres in this Province. If you look, last year \$5 million was lost by the Department of Finance, as has been stated, in a foreign exchange deal. Now, we have \$13 million in uncollected taxes, we have that \$5 million, so that is \$18 million.

The government just recently set up a committee - now this is the one that eats all cake - to monitor government spending, to tell the twenty-two cabinet ministers and the Department of Finance how to run each department. That committee is going to cost the taxpayers of this Province upwards of \$500,000 to \$600,000 in salaries, secretaries and furniture. Another \$500,000 makes \$18.5 million. Let me take you to the Sprung fantasy, the dreamland, the Disneyland the Premier visited to see the cucumbers grow, another \$11 million dream that the Premier

had. He tells us he woke up 4 o'clock in the morning after he came back from Disneyland. Make no wonder, because his head was spinning so when he saw the cucumbers and tomatoes grow at such a rate. We have \$30 million in uncollected taxes, we have \$5 million lost last year in foreign exchange by the Department of Finance, we have \$500,000 to set up this new committee to monitor government spending, we have \$11 million in the Sprung investment so, we are talking about \$27 million, yet the Minister of Social Services can look at the little children and the working parents of this Province and say that we have no money for you. All we have to do, Mr. Speaker, is to put our priorities order. That \$27 million comes from the four things I jotted down in this second. If I were going to take some time I would have to go and get another sheet of paper or a tablet to record all the mistakes and all the waste of money that this administration has been guilty of since 1979. We are going to have to try to convince the Premier of this Province that there is a solution. First of all, they have to get their act together and they have to get their priorities in the right place but, secondly, and I suppose, this should probably be the number one priority, is to get a Minister of Social Services who has respect for the working mothers of this Province and, number two, who cares about day care for the children of this Province and realize that we do need more day care centres.

MR. POWER:

You are only playing games.

MR. EFFORD:

We do have money. The money is

there. It is not games. \$27 million is not games. The Minister of Career Development and Advanced Studies (Mr. Power) very clearly points out that it is a game. Yes, what you are playing is a game and you are playing a losing game and every individual of this Province is suffering from your losing game. That is the game you are playing. If you can take \$27 million and throw it into an area where it is just lost and wasted then there has to be a better solution and a better game for everybody to play. Now, \$27 million is a lot of money. It may not be a lot to the present administration, but it is a lot to the people of this Province who are paying taxes and it is a lot to us, the Liberal Opposition, to recognize that a government could waste it.

I saw here just a couple of days ago the Minister of Fisheries (Mr. Rideout) give this House an example of what his attitude is towards money and the economy. We just saw an example from the Minister of Career Development and Advanced Studies. Two or three weeks ago I stood up in this House of Assembly and told the Minister of Fisheries what was going to happen to the Province's economy this Summer if they did not do something about the caplin industry and now we see a total of \$60 million, earned in the caplin fishery last year, lost to the economy this year. No, it is not the government's fault, they say. Day care centres are not the government's fault, they say. The loss of \$5 million is not the government's fault, the uncollected \$13 million in taxes is not the government's fault, they say. Well, in the name of God, whose fault is it if it is not the government's fault? Who

are the elected representatives of this Province? Whose fault is it that we do not have proper day care? Whose fault is it that the transition houses are \$76,000 short in funding this year in the city of St. John's, and they have to go out knocking on doors to raise it? Whose fault is that? Is that the Liberal Opposition's fault? The people downtown, is it their fault? The fault is in the present administration. The fault is their priorities are in the wrong place.

MR. POWER:

Do not be so naive.

MR. EFFORD:

Naive! When I become so naive that I do not understand \$13 million is setting out there in uncollected taxes, then I suggest to the Minister of Career Development and Advanced Studies that he should look for a new profession if he would like to go out there and say that this amount of money does not matter. It is absolutely ridiculous. I am sure he will not, but that new profession will come quicker than he thinks. After the next election he will have the opportunity to seek one.

MR. POWER:

What about the lack of paved roads?

MR. EFFORD:

The lack of paved roads? There is a tremendous lack of paved roads in this Province. Of course, that would not be the fault of the present administration. That is the fault of the truck drivers we saw here in this House of Assembly yesterday who cannot get one day's work. We blame that on the private truck operators. That would not be the fault of the present administration.

Now, Mr. Speaker, there are a number of problems in this Province -

DR. COLLINS:

Hospital beds, day care.

MR. EFFORD:

Mr. Speaker, I must be hitting a raw nerve over there because the Minister of Finance is starting to ramble on. He blamed the state of this Province a few minutes ago on the Mulroney Government. Now he seems to be blaming the truck drivers of this Province because we do not have paved roads. So I think the minister is off track tonight, there is no question about it.

Mr. Speaker, we have to blame the government, the present administration, because they are the ones in power and, unfortunately, there is nothing we can do about that until after the next election. But in the meantime the children of this Province do need a better day care service, they do need more assistance and better attention, and it is up to the present administration to improve things. What we have to do is implore the minister to study what the problems are, and take them into consideration.- Now this is a prime example: Prince Edward Island day care services has a total of 1,321 spaces. This figure indicates there is one space for every twenty children. In the Province of Newfoundland, 91 children are waiting to fill every day care space open. Shocking, shocking figures, when a small province like Prince Edward Island can come up with 1,321 day care spaces, one for every 20 children, and here we have 91 children waiting to fill up every day care space that opens. What

an extraordinary differential in these figures we have to face here in this Province. And the Premier of this Province stood up in the House of Assembly last week and told us that we take a back seat to nobody in day care services. I wonder where he gets his ideas? Surely goodness the Minister of Social Services never told him that. He must have just dreamt that as another fantasy, another midnight dream like when he dreamt up the Sprung deal.

Mr. Speaker, in the other part of the bill, the minister has made a change which again we cannot fault him for when he sets out the per diems for members of the board.

MR. OTTENHEIMER:

Do you want more per diems?

MR. EFFORD:

No, I think the House of Assembly has received enough per diems for one year.

But the members of the Board, carrying out their duties, travelling around the Province trying to prepare better facilities and better management for day care centres, certainly those people have to have their expenses taken care of, and we have no fault with that, Mr. Speaker. What I am surprised at are the two things noted in this particular bill, one is deleting the word 'full', and the other is, instead of paying daily expenses and mileage, we are paying per diems. Why did we not make the changes necessary to provide better day care services, why is the minister holding back on that is the confusing thing about this particular bill. He must realize, certainly, there are many, many ways in which day care services can be improved. He must realize

from the two or three ways I just pointed out here that there are monies available. Money is the big issue. I just pointed out where \$28 million has gone out of the Treasury of this Province in the last twelve months. It is not like we took it to spend on water and sewer, not like we took it to make some road improvements, or to improve the fishing industry or the construction industry. It is \$28 million that is just not in the Treasury, and will not be in the Treasury because of the carelessness on the part of the administration. If the Minister of Social Services would pay some attention and have Cabinet get some of that \$13 million owing in RST collected, then he could probably provide better services in his department and show some feeling for the working parents of this Province by providing better day care service.

Thank you, Mr. Speaker.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

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

MR. LONG:

Thank you, Mr. Speaker.

I would like to have a few words on the bill that is before us, Bill 17, second reading, speaking in principle to the legislation. It is not a complicated or extensive amendment to The Day Care and Homemaker Services Act. I would like to make some comments about the continuing debate that is happening in this Province and, indeed, across the country, about the day care situation, particularly in light of the recent furor that the minister's

comments have created in this Province.

Before I do that, I would like also to say to the minister, concerning The Day Care and Homemaker Services Act, 1975, and the amendments that are before us in second reading here this evening, that it is important to recognize that this legislation also includes homemakers and is not just dealing with the situation of day care. I would suggest to the minister that it is time for this government to bring in separate legislation governing homemakers in this Province.

I understand the minister's department has a study underway right now in the Province consulting individuals and organizations who are involved in homemaker care. They are receiving quite a large amount of information and feedback from people who are working in this field across the Province. There is a chorus from everybody involved in any way in providing home care calling upon the department and the minister to bring in legislation to provide for training and licensing of homemakers and homemaker services.

There is the problem of homemakers being included in The Day Care and Homemaker Services Act, there being a lack of a definition of what constitutes a homemaker, there being a lack of regulations for training of homemakers, a lack of services to provide training for homemakers, and a real problem with licensing of homemakers.

In particular, there are at least two groups that are active in this field that have been making public comments about the difficulties their members are facing. One is



the St. John Ambulance which has, for such a long time in this Province, led the way in providing homemaker services. Their own criticisms and difficulties that they have been bringing forward, in the absence of any legislation governing homemakers, is something that I think the minister must take seriously.

Another important group that has been making representation is the disabled community in this Province. These are people who are very critically affected by the provision or lack of provision of homemaker services, and the protection of their lifestyle and the protection of their independence as disabled individuals and as members of the disabled community are very important issues.

I would simply add my own concerns to the people who have been making submissions to the public hearing process that is underway, and hope that at the end of this process, in which people are having input and advising the minister and his department, we will soon see a commitment from the minister and from the government to bring in separate legislation governing homemakers in this Province, that will address the problems of training of homemakers, licensing of homemakers, the definition of homemaker, and that will give some due respect for the important services that homemakers are providing, and that will also provide some legal regulations for this service, and, hopefully, will also allow for upgrading not only of skills from people providing homemaker care but also for the standards of care that are being provided for people who are receiving this care.

So I would say at this time, when we are looking at The Day Care and Homemaker Services Act, we must remind ourselves of the need to address specifically and separately the issue of homemaker care.

To come to the issue of day care and the rather simple housekeeping measure that is before us in amending The Day Care and Homemaker Act, it raises the question again, and not for the first time, the issue of day care, which has been before this House this session several times in one form or another. I would like to commend the member for Port de Grave, who has obviously done his homework in bringing in statistics and also providing examples of where the government can find money to spend on day care if it had a commitment. The member opened his remarks by referring to the Yukon, which I cannot resist pointing out, has an NDP Government. The Yukon and Manitoba, the other jurisdiction in this country where there is an NDP Government, both these areas are seen to have the highest standards of child care available to their populations of anywhere in the country.

And what I would say, Mr. Speaker, in looking at the example of what is being provided for the population of the Yukon and people in Manitoba, is that you have a political commitment to bring day care and child care to the top of the political agenda. I think the controversy that has been raging in this Province in the last couple of weeks is in response to the comments by the minister in which he called for more mothers to stay at home. Representations have been made to me by phone and by letter by people, who have

been, women especially, who are working outside the home, and by those working in the field of providing child care and other people, show they are waiting for some expansion of child care programmes in the Province. Other professionals are following the debate that is happening across the country, anticipating initiatives by the federal government, and, as I have said to the minister before, I acknowledge the difficulty that this government has in negotiating a fiscal arrangement through which the federal government can provide monies, especially for capital expenditure and start-up of new programmes, note the inadequacies of a tax credit system, which the Federal Minister for Health and Welfare, Mr. Jake Epp, seems to be leaning toward, and the problems of creating a concrete federal initiative that will make monies available to the provinces, especially to the poorer provinces, to expand their programmes. Those difficulties that the minister and this government are having to deal with, as are all people who are affected by a lack of affordable and accessible day care, those problems notwithstanding, there remains a question of whether or not this government has a commitment on its own part to address the very serious crisis in this Province in so much as there is an absence of affordable, quality, accessible child care. And I would suggest that in the debate that is continuing in the Province, the minister, and indeed the entire government, is lacking credibility. It comes forward day after day in the House in response to questions by members of the Opposition, in response to the public criticism that is coming forward from all sectors,

including the Minister of Justice (Ms Verge) and the Minister of Career Development and Advanced Studies (Mr. Power). Then the Premier came in and stand up and gave a litany of how good the government's record is as it relates to women's issues. You would swear, if you were listening to the ministers day after day, that women in this Province have never had it so good. They come in and talk about day care not being the issue but the need to look at affirmative action, the need to look at the other initiatives that government has taken over the last couple of years, including transition services, that there was not transition services before 1979 and now they are spending so many hundreds of thousands of dollars. The attempt to cover up for the statements made by the minister is for other ministers and the Premier to come in and talk about what a friend of women this government is.

Well, I would suggest, Mr. Speaker, that the Premier, other ministers of the government and all members opposite, have a basic credibility problem in talking about their commitment to women. I would suggest, when the minister made the statement that what we need is more mothers at home, that it was representative of a political or psychological act of violence against women. I said in response on that day that I felt it was a slap in the face to women. I had women call me the next day, and one women in particular told me that she thought my choice of words was a propos because she felt this minister in making that comment was trying to push her back into the home. She was getting ready next morning at 8:00 a.m. to go

off to her day at work, did not have child care for her own child, and felt, in her own struggle to provide proper care for her children and be a working mother, that what was happening was a minister of the government was coming out and not only representing an idea or a notion that seemed to come from back in the Dark Ages, but it was actually an act of psychological violence, that there was a guilt trip being laid on working women in this Province, and it was not unrelated to other kinds of oppression that women continue to face in our society. I think very often we see examples of opinions that suggest that women have no right to complain about their situation in our society any more. The advances gained by activists in the women's movement and public policy that has taken progressive initiatives in making changes for women has produced a situation where basically women do not have to complain any more. I think what we saw in the expression of a personal opinion by the minister, which he also said he wanted to clearly put on the record as one minister in this country responsible for day care was not only a move back in time but was a symbol of the difficulties that women continue to face in having public policy reflect the difficulties that working women are facing as mothers and the lack of respect, basically, that women continue to be subjected to in the social discourse that members of the government may be involved in, but that certainly professionals who are working in day care, working mothers, individuals, women's groups continue to be involved in.

The minister's comments reflect a problem of credibility for this

government. It is very hard to take seriously a minister who can make those kind of comments one day and then the next day come in and say that he has a commitment to day care. There are very serious problems with day care in this Province. We recently received, as I believe ministers of the government have, correspondence from the, coordinator of citizens action child care on the West Coast, in Corner Brook, in which he was making representation for the minister who would be involved in consultation with other ministers across the country about the federal government's proposed initiative on child care. She talked about the lack of a child care programme for licenced family day care, the lack of regulations for infants, and while she did not provide the numbers, evidently there are at any given time in this Province up to 15,000 infants under the age of two who have both parents working. There is no provision, no regulation for child care for infants under two in this Province, and that is something that people who have been working in the field of child care, and certainly working mothers with young infants, have been waiting for some time for some action on, and the representation continues to be made. This individual also talked about the difficulties in licenced day care centers that are functioning, that there are delays of up to six months to have licences renewed and that is proving a very frustrating experience for the operators of day care centres, and causes concern for parents. It also seems to point out that there is an insufficient number of staff in the minister's department maintaining inspections and monitoring the renewal of licences

and other practices at the day care centers. There is also concern in the representation that there is - and this is a concern that I would like to echo - too much of a tendency on the part of government when faced with fiscal restraint programmes to rely on the private sector to deal with social problems. We have seen the Minister of Career Development refuse to acknowledge the value of nonprofit organizations in providing meaningful employment, indeed meaningful training for young people entering the work force for the first time. In fact, the minister said quite blatantly that he did not know of any nonprofit organization that ever provided a decent work experience for an individual.

MR. MORGAN:

He did not say that at all.

MR. LONG:

That is exactly what he said and he said it in an estimates committee. The minister was quoted in the media. I sat in an estimates meeting with the minister and I had an exchange where the minister said that that is a Socialist ideology, that is not the ideology of the government, and he offered as a personal reflection this notion that nonprofit institutions do not provide meaningful work experience, and that was the rationale for not putting any public funds into nonprofit job creation enterprises.

DR. COLLINS:

That is not true.

MR. LONG:

In any case, Mr. Speaker, the point that I am making is that what we see when a government is genuinely faced with a fiscal

restraint programme, that in this case has been in place for some time, there emerges an ideological disposition, if you will -

MR. MORGAN:

Your voice is going. You are wearing out your vocal cords.

MR. LONG:

I have a cold. There is a 'flu going around town I was lucky enough to catch, but I will do my best to continue to take up my time and deal with these very serious issues.

MR. DINN:

You are fabricating what you are saying. It is not true.

MR. LONG:

The argument, Mr. Speaker, that I am making, and I want to return it to the question at hand, and that is the crisis in the lack of day care in this Province, is that there is a consistent pattern in which members of this government refuse to take any public responsibility, that is to say they refuse to have any government initiative in providing for social services, human services, for job creation programmes, for health and education expenditures, and in this case for day care expenditures.

DR. COLLINS:

Forty to fifty per cent of our budget is on all of that stuff.

MR. LONG:

The consistent disposition is that we have got to let the economy be run by the private sector. It is an ideological notion that comes out of Great Britain, out of the United States, it is not unrelated to Reaganomics and to Margaret Thatcher's programme for destroying England.

MS VERGE:

A point of order, Mr. Speaker.

MR. SPEAKER:

A point of order, the hon. the Minister of Justice.

MS VERGE:

Mr. Speaker, the member for St. John's East has suggested that this government has directed no funding to nonprofit organizations, such as citizens' action child care committees to employ people. Such is not the case. The Department of Social Services, through its major Community Development Programme, has provided millions of dollars to nonprofit organizations with social goals and in particular has provided funding to the Corner Brook Citizens' Action Child Care Committee to employ people to further the aims of that committee to improve child care in the Corner Brook area.

MR. SPEAKER:

To that point of order, there is no point of order. It is a difference of opinion between two hon. members.

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

MR. LONG:

Obviously a difference of opinion, Mr. Speaker, a very critical difference of opinion. I was not saying at all that the government is not putting any money into such programmes. I mean, the business of government is to make public expenditure over the years. I was using the example of how the Minister of Career Development and Advanced Studies, responsible for job creation, this year addressed the needs of the nonprofit sector by saying that it was not worth putting money into the nonprofit

sector because it did not produce meaningful employment. I would agree with the Minister of Justice that that stands as a basic contradiction to other efforts by the government over the years to create employment and to create programmes in the public sector. I would go further to make the argument that this a pattern we have been seeing across the board with this government. We had the Minister of Health (Dr. Twomey) come in the other day and give another slap in the face to women of this Province, who happened to be in this case, the nurses, when he talked about the problem with nurses leaving this Province is that they are chasing the sun in California, or they are chasing the skiing in Alberta, or they are chasing the night life in Toronto. I was absolutely shocked to hear the Minister of Health respond to the very serious situation facing the hospitals and the public over these coming months in the Summer by proceeding to insult the professional nurses of this Province and suggest that the reason for the closing of hospital beds this Summer had nothing to do with the working conditions that nurses are under, with their wage rates, with the lack of proper legislation governing them, but had to do with the nurses being fly-by-night, with no commitment to their profession, and leaving the Province in droves.

Now that comment by the Health Minister was not unrelated to comments by the Minister of Education (Mr. Hearn), who refused to take seriously the problem of teachers leaving this Province. The Minister of Education went on to excuse himself and his own department for the real problem of teachers being lured outside the

Province because of problems with the educational system which, like the health system, is suffering under years and years of cumulative, deliberate neglect in this Province.

So what I am saying, Mr. Speaker, is we have the Minister of Career Development and Advanced Studies, we have the Minister of Education, we have the Minister of Health, and we have the Minister of Justice when she speaks to women's issues, come in day after day, week after week, and tell the people of this Province that they have never had it so good. But on the other hand, and that is what the Minister of Career Development and Advanced Studies loves to do is talk about what a great university we have out here, and all you have to do is walk on campus and see that it is falling apart. It is an absolute disgrace to this government, but obviously they have no shame. They come in and talk about how great things are, then they refuse to take any responsibility for any critical situation.

Mr. Speaker, the argument I am trying to make, which will bring me back to the Minister of Social Services, is that we have absolutely no interest on the part of this government in taking public initiatives, that is to say, making monies available through the public purse to deal with people who are hurting in this Province. We see it in the health sector, we see it in the educational sector, we see it in the position of women in general, and we particularly see it with the issue of day care. And what has happened in the last couple of weeks is only an illustration of a much larger dogmatic obsession on the part of this government with

its alligance to the private sector, its suggestion that the problems of day care in this Province will only be solved when we have enough private day care operations, who can generate their own capital, come forward, make applications for licences and open up profit-making day care centres in the Province. That is, perhaps, when there will be enough day care spaces available for the women and for the fathers and for the children of this Province. We are seeing an absolute lack of commitment on the part of public officials, in this case the Minister of Social Services, to deal with the demands that are being brought forward by the changing situation in society, by more women entering the work force, by changing demographics, by the changing nature of the family. The demand for day care in this Province, and the demand for day care across the country is one that must be placed at the doorstep of governments. It calls for comprehensive public initiatives on the part of government to provide for regulation and licencing, and to make monies available.

DR. COLLINS:

What do you (inaudible)?

MR. LONG:

Now I would further suggest to the Minister of Finance (Dr. Collins), who keeps piping up with his own comments, that as one senior member of this government he is responsible for the advancement of the ideological context that the private sector is everything in all these areas, in talking about nurses in health care, in talking about teachers in the educational system, or in talking about homemakers, or in talking about workers in day care. What we

would argue from this party, Mr. Speaker, what the NDP would consistently argue in years to come is when we are living in a situation in Newfoundland, with such high rates of unemployment it only makes sense to put monies into public programmes to put people to work taking care of people.

Now, you may not see that teachers are so much involved in taking care of people, although obviously we would agree that they play a very critical function in terms of education of young people and represent the critical edge for their future. With nurses and hospital professionals, health care workers, it is more clearly a case of having staff to take care of the health needs of the people.

Day care, the argument can be extended, is another perfect area in which there is a social need where we can address this very real unemployment problem that members of the official Opposition went some real lengths today during Question Period to bring in front of the government as we begin to close the session, the scandalous situation facing all working people of this Province, but especially young people, and the lack of responsibility by this government. What we in this party would argue is that it makes sense to spend public monies in the area of human services, health, education, transition services for women, and day care services. This is where we can put our people to work, taking care of our own people, especially in light of the social ills that are produced by high unemployment, alcoholism, family violence, depression, the disintegration of our communities, the dislocation as young people are forced to leave, and then, not

finding work on the mainland, are forced to come back without any economic security. It just makes sense that when a government has a budget that includes so much space year to year, so much leeway for ministers and the Finance Minister to determine priorities year to year, that unemployment be taken as a number one objective in any given fiscal year for the government.

We would say that a parallel objective of a primary order with unemployment should be taking care of our people. That is the basic essence of our argument. That is the way in which I would address this bill, in principle, that is in front of us. When we look at making amendments to The Day Care and Homemaker Services Act, indeed we do need an extension of day care services in this Province. It is not simply a matter of waiting for the federal government to take the right initiative. In fact, there are very real concerns with the new Constitutional Accord and the other restraint policies of the federal government that the poorer provinces, and especially Newfoundland, will not end up with much in the long run from a federal initiative as it relates to day care.

Mr. Speaker, in conclusion, I would say that it is incumbent upon this government, despite the personal disposition of the Minister of Social Services, to try and reaffirm its commitment, not in words, not in ministers coming in with the litany of how good people in this Province have it and how good this government's record is towards women, but for other ministers of this government, who may indeed have some genuine commitment to the women of this Province, to the

crisis of day care in this Province, to begin putting in place real comprehensive programmes to deal with these situations.

I would suggest in closing, Mr. Speaker, that the issue of day care is only one among many other issues that call for creative, imaginative, and concrete initiatives by this government.

Thank you, Mr. Speaker.

MR. SPEAKER:

The hon. the member for St. Barbe.

MR. FUREY:

Mr. Speaker, just before we close debate, if the minister would not mind, I just want to return, after that half hour of whatever, to the bill for a minute, and ask the minister, with reference to Section 2, subsection (6) which reads, 'Members of the Board, except public employees, shall be remunerated at the per diem rate established by the Lieutenant-Governor in Council for attending official Board meetings and are entitled to receive payment in respect of travelling and other personal expenses,' where previously it was just personal expenses and travel.

I have four short questions: How many members are on this board? How many meetings will they be required to attend? How much will they be paid per meeting? Is there a cap on that per diem, say, \$75 a day for eighty days?

MR. SPEAKER:

If the minister speaks now, he will close the debate.

The hon. the Minister of Social Services.

MR. FENWICK:

Mr. Speaker.

MR. SPEAKER:

I beg your pardon!

The hon. the member for Menihek.

MR. FENWICK:

Mr. Speaker, I thought that he was just responding to a question there and he would not have closed the debate.

I do not really know that there is much I can add after the eloquence of my colleague from St. John's East. I think he has done a magnificent job. Mr. Speaker, there is an index of effectiveness of speaking for us, and it is the number of comments being made on the other side, of a derogatory nature, divided by the time. I think he just achieved one of the highest indexes of aggravation for the Tory side that has ever been done in this House, perhaps with the exception of the time we talked about The Labour Standards Act back in the late Fall of 1984.

I would like to congratulate my colleague for getting under the skin of all the Tories, the hidebound Tories over on the other side, with the exception of the Minister of Justice who I know has always had the interests of the women of this Province at heart and has always been, publicly, a great advocate of increased child care services.

Mr. Speaker, one of the things that I find appalling in that piece of legislation is that we are still calling it day care, An Act To Amend The Day Care And Homemaker Services Act. Mr. Speaker, it is not day care. Day care is an antiquated conception of the dimensions of the problem



which I think reflects maybe the kind of antiquated thinking we are getting, notably from the Minister of Social Services but from perhaps the Cabinet as a whole. Day care is not the problem, it is child care, and child care is a considerably different problem. As a matter of fact, in looking through the legislation we are seriously questioning whether the wording is right in the sense that it seems to insist that it is only during the day that children need care. Mr. Speaker, I give you an example of fish plant workers working on the Burin Peninsula who are on shift work, starting at four o'clock in the afternoon and working until midnight. I mean, it is pretty difficult to call that day care. That is child care that is needed at that particular shift, at that particular time.

MR. TOBIN:

Do you want it 24 hours a day?

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

Order, please!

MR. FENWICK:

Do you notice how the index rises as you get under their skin a bit?

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

Order, please!

MR. FENWICK:

But I think, Mr. Speaker, it is a reflection of this government's thinking, where it is in time and space, that it would call it day care. There is also, obviously, if you want to go into it, people working the midnight to 8:00 a.m. shift, who do need some services,

some way of being able to cope with that particular kind of service.

But without going into too much detail on it, I can say that I look back over the budget for about the last six years of this government and have tried to track the amount of money that actually goes into day care spaces, the amount of subsidies and the amount of money used to establish individual spaces. We had at one time, I recall, a \$500 grant for every child care centre that was established. I think we have actually doubled that to \$1,000 now. Well, Mr. Speaker, if you go and look at a child care centre you will see that the special doors that are required with the panic hardware to make sure that they do not get trapped there in the case of a fire, sometimes eat up the entire grant. Really the grant is a pittance in terms of the amount of money it provides for putting in the kinds of services that we want.

We had I think in the last budget - or was it the budget before? - an actual direct grant, paid to the child care centres, in order to help them pay their costs. And I think it was a nickel a day - was it? - per place, something in that neighbourhood anyway, Mr. Speaker.

MR. BRETT:

It is twenty cents a day and you know it.

MR. FENWICK:

My apologies! When you are talking about twenty cents a day -

MR. BRETT:

That is four nickels.

MR. FENWICK:

That is true. It is four nickels. I am wondering why the minister is so defensive about the amount.

DR. COLLINS:

He is trying to be honest with you.

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

Order, please!

MR. FENWICK:

Maybe the fact that twenty cents a days is such a pitiful amount that I would have assumed that he would have allowed the same amount to stay there.

What I am saying to you, Mr. Speaker, is this: We look at the question of day care services, or child care services more appropriately, as the largest area of social services that has not presently been addressed in any meaningful way by our society, and I would go back the last couple of hundred years at a time when the question of whether or not we would have universal education at the elementary school and at the high school levels was debated by individuals who said, "Well, you cannot do that because you are giving privileges to a certain sector of society." And then eventually that argument was overturned and people to the point where they said, "No, everybody does have a right to basic education services," and instead of having 5 per cent or 10 per cent or 15 per cent of the population going to school we ended up with virtually 100 per cent going to school, unfortunately with dropouts it does not stay that high but at least we ended up taking a philosophical stand in favour of

saying that people have a right to these services.

Mr. Speaker, it is my suggestion to you that with child care we are in that transitional stage now. As the Department of Career Development and Advanced Studies has shown so ably in its documentation, the percentage of women in our labour force has increased tremendously over the last decade. We are now, I think, increasing to the point where the major new entrants to our work force over the last decade have been women, not men, and that many of the women are at a time when they are bearing children; who, for a number of reasons do not wish to stay home or cannot stay home. In those circumstances they need high quality child care so that their children receive the kinds of nurturing that is required at that particular age.

MR. FUREY:

Address the bill.

MR. LONG:

Shut up, Chuck!

SOME HON. MEMBERS:

Oh, oh!

MR. FENWICK:

It must be getting late.

My argument would be that what we need to do now is to accept child care in the same way that we accepted universal education, accept it as something that is required.

DR. COLLINS:

Universal day care.

MR. FENWICK:

Yes. I agree with universal day care. I believe that it should be funded the same way as elementary

school.

Mr. Speaker, there are a number of reasons. First of all, there is a large number of women who have to work. When I say 'have to work', they have to work because the husbands, or the other person who is working in the family, because that is obviously not always that same pattern that we are looking at, cannot provide a family income sufficient in order to survive or live at an adequate level in this day and age. Mr. Speaker, I would also like to suggest that there are women who are working whose husband's income is perfectly adequate to look after not only the children but the women themselves, and they have an absolute right in my mind to work as well, primarily because they have the right to develop all the facets of their creativity and their energy just as much as a man would have. As a matter of fact, I can see no differentiation between it. If a woman is an excellent lawyer, I see no reason why that woman should stay home and look after children if her decision is that she feels that she wishes to contribute in the legal field. I think that we as a society have to set up systems whereby those who desire and need for their own fulfillment to go forth into the work force are not unnecessarily penalized.

One of the remarkable studies that I have seen that has looked at women and their career paths through society has shown that the women who took time out from the paid work force, let us put it that way, to go back and nurture their children invariably fall behind their contemporaries who at the same time are advancing in their chosen career paths. As a result, they may return to the

paid work force fifteen or twenty years later and they have never achieved the potential, in the terms of the work force, that they had. I think that is a loss to society, I think it is a loss to the individual person that they did not have an opportunity to maximize their potential. So from our position, Mr. Speaker, we await the day, and we hope it is not too far in the future, when we look at child care services in the same universal concept as we look at elementary and high school education, and we hoped at one time to look at university education and other education at a post-secondary level.

It is our objective, and I state it quite flatly, that we do not believe that the sole viable and defensible place for women is nurturing children at home. We believe that there is intrinsic worth in going forth into the work force and contributing the unique talents that the 52 per cent of our society have who happen to be women.

Thank you very much, Mr. Speaker.

MR. SPEAKER:

If the minister speaks now he will close the debate.

MR. BRETT:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Social Services.

SOME HON. MEMBERS:

Hear, hear!

MR. BRETT:

Mr. Speaker, to answer the questions from the hon. member for St. Barbe, the number of meetings would depend on how many are

required. The required number of meetings would be held, but on the number of people I do not have the information but I will gladly get it for the hon. member. There is no cap on the per diem. By that I would assume he means would there be a limited number of meetings, and there is not. So in that respect there is no cap on it. I can not tell him the amount of the per diem paid per day, but I assume it is the same as the Social Assistance Appeal Board, which I think is \$100 a day. I am not sure. Again, it is not difficult to get that information.

Now, Mr. Speaker, I do not know if I should lower myself, if I should get down low enough to answer the Socialist propaganda that just poured forth from the other side of the House. Just let me say this, Mr. Speaker. In the last two weeks I have been abused, I have been slandered, I have been misquoted, I have been misunderstood by people who have a vested interest, and I have not opened my mouth. I am the only person, probably, who has not played politics with a statement that I made. That hon. member over there, that Socialist over there, has the gall -

MR. BRETT:  
That mealy - mouth.

SOME HON. MEMBERS:  
Which one?

MR. BRETT:  
St. John's East. Well, both of them, for that matter. That hon. member has the gall to question my credibility. Now, Mr. Speaker, that has got to be the joke of the year!

SOME HON. MEMBERS:  
Hear, hear!

MR. BRETT:  
When the hon. member for St. John's East questions my credibility, that has got to be the joke of the year. I tell the hon. member tonight that I will put my credibility on the line and match mine with his any day of the week.

SOME HON. MEMBERS:  
Hear, hear!

MR. BRETT:  
I have not had to play politics or to be concerned about my credibility as a result of anything I said in this House. I would suggest that the hon. Socialist from St. John's East walk through the tunnel tomorrow morning and come over to my office on the Third Floor and I will show him a file of letters and telephone calls that I have gotten over the last week or so. Then he can decide who has the most credibility in this House or in this Province.

SOME HON. MEMBERS:  
Hear, hear!

MR. BRETT:  
The hon. Socialists, Mr. Speaker, can get up in this House and they can say anything they want. They can say that we must have universal day care, we have to increase this by 100 per cent and that by 100 per cent, and they can go on and on because they know that they will never, ever be in a position where they have to fulfill their promises. Never!

SOME HON. MEMBERS:  
Hear, hear!

MR. BRETT:  
Mr. Speaker, they advocate Utopia, a cadillac system. Why do they not once in a while get up and

tell the people of this Province where the money is going to come from? We have a little over 500,000 people, Mr. Speaker, 560,000 people, on a small island out in the middle of the Atlantic. Everybody knows the tax base we have. We are spending sixty-odd per cent of our budget in health, welfare, and social services. And that hon. member, Mr. Speaker, I do not know how the people of the Province can listen to him. I think perhaps I am a little bit foolisher than he is just to acknowledge what he has said or to even answer it, because it does not make any sense. The suggestion about credibility, I will let the people of the Province decide.

Mr. Speaker, my hon. friend over there from Port de Grave (Mr. Efford), who succeeds in making me mad once in a while, I believe has his feet on the ground. I do honestly believe that hon. gentleman, even though, as I said, he succeeds in making me mad once in a while, has a genuine concern for the people of this Province. I say that from my heart. I really believe he does. I do not necessarily like the way that he goes about it once in a while, but I believe that his heart is in the right place. I think he realizes, unlike the hon. member for St. John's East, that there is only so much we can do.

Mr. Speaker, I do not want to drag this out too much, but the hon. member for St. John's East talks about the litany. Well, the litany happens to be true. I have no disagreement with anybody on the other side of the House or wherever in this Province who says that we need more child care spaces, that we need good quality child care and, very seldom does

anybody speak about it, but we also need more trained personnel. That is one of the big weaknesses that we have, so we need more trained personnel in the field of child care.

We have, Mr. Speaker, almost doubled everything since 1977 - 1978. In 1977 - 1978 we had just a wee bit over 700 child care spaces in this Province and today, Mr. Speaker, we have over 1800. Now that is a big difference. That is progress.

In 1978 - 1979, we had thirty-five centres and today we have over sixty-two. That is progress. There is nobody can deny that. Our total expenditure in 1976 - 1977 was \$156,000 and this year it will be in excess of \$1.5 million, anywhere from 70 per cent to 80 per cent increase. That, Mr. Speaker, is progress. This year, Mr. Speaker, we opened a new child care centre, or day care centre, whatever you want to call it, here at the Confederation Building Complex and we are going to provide fifty spaces. It is a first for the Province, and that is progress.

Mr. Speaker, I acknowledge there is a need for more, but I have said in the House, I have said publicly, that in acknowledging we need more, there is only so much that we can do. And what will happen in the next year or two in this Province with respect to an increase in child care, better quality child care, better trained personnel, depends entirely on what the federal minister will say in the next six weeks to two months. But I have gotten the message to Ottawa as strongly as I know how that there must be flexibility in the system that he announces, if in fact he does

anything or if the federal government is to do anything that will help the poorer provinces.

So, Mr. Speaker, in spite of all that has been said, I do not wish to deny, and I know my colleagues are backing me up when I say we recognize the need for more child care, and on that note, Mr. Speaker, I move second reading.

SOME HON. MEMBERS:

Hear, hear!

On motion, a bill, "An Act To Amend The Day Care and Homemaker Services Act, 1975", read a second time, ordered referred to a Committee of the Whole House on tomorrow. (Bill No. 17).

MR. OTTENHEIMER:

Order 15, Bill No. 26.

Motion, second reading of a bill, "An Act Respecting The Department Of Energy And Other Matters Related Or Incidental Thereto". (Bill No. 26).

MR. OTTENHEIMER:

Mr. Speaker.

MR. SPEAKER:

The hon. the Government House Leader.

MR. OTTENHEIMER:

Thank you, Mr. Speaker.

Essentially this bill is an organizational and an administrative one. As hon. members are aware there was a Department of Mines and Energy which for years which had both of those responsibilities. Then at a point in time a Petroleum Directorate was appointed, which had responsibility with respect to offshore activity. I think it is certainly arguable that it was an

anomaly at least, to continue for too long a period with energy policy bifurcated, with certain energy matters in a Department of Mines and Energy answering to a particular minister, and the Petroleum Directorate, concerned with offshore energy matters, and indeed onshore if they were any drilling, responsible to another minister. So government decided, when the previous minister responsible for the Petroleum Directorate graced the bench and it was necessary to appoint a new minister, to bring about this reorganization. And really what it is is that there is now a Department of Mines and there is a Department of Energy. And the Department of Energy combines the functions of what was the Energy Branch of Mines and Energy and the Petroleum Directorate. Also, the Minister of Energy is the minister to whom or through whom Newfoundland and Labrador Hydro Corporation reports to government and to the House. So that is essentially what it is, to bring administration and policy formulation and the basic work in the whole energy area into one ministry reporting to one minister.

In the Energy Branch of Mines and Energy the basic thrust and responsibility there was in terms of conservation programmes and development of alternate energy. All of this has been brought together, it is there in the bill. I am not sure, but I do not suppose hon. members are really particularly interested in the administrative details of the organization. But with the reorganization into one ministry, the Energy Branch of the Department of Mines and Energy and the Petroleum Directorate, there will be three basic divisions and, of course, there will be

administration.

I will just give the examples of what they will be. I am not going to bore members with bureaucratic and administrative matters but, what will happen under the new structure is the new Department of Energy will combine the Economic Policy Branch of the Petroleum Directorate with the Energy Policy Division of the old Department of Mines and Energy. There will be a new Petroleum and Economics Branch combining the personnel of those.

Secondly, the Planning Branch of the Petroleum Directorate and the Energy Programmes Branch of the old department will form a new Petroleum and Energy Programmes Branch.

Thirdly, the Petroleum Monitoring and Analysis Division will become the new Petroleum Resources Branch. So it is basically structural, organizational and administrative. I think in overall terms it is wise and important to bring together these two agencies of government, one a part of one department reporting to a particular minister, the other in a directorate reporting to a separate minister. That is what the entire thrust of the bill is.

I could just say that within the act there is obviously provision for the appointment of a deputy minister. In terms of assistant deputy ministers, there is authority for the appointment of four. It is the government's intention to appoint three, unless, under certain conditions, whatever they may be, a fourth were necessary and indeed it is arguable whether numbers of assistant deputy ministers need be referred to. It is I think

equally arguable that it is probably an executive act but anyway, our draftspeople do put it in and it is not open-ended. There is four but it is the government's intention to appoint three.

I think that is really all I will say on it now. It is a kind of restructuring, organizational, administrative act to bring together these two functions in one department responsible to one minister, one deputy minister and the integration of personnel and programmes.

MR. BARRY:  
Mr. Speaker.

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

MR. BARRY:  
Mr. Speaker, we agree completely with the minister that this is a structural, house-keeping bill, but we wonder why the minister is so proud of that fact. We wonder why the minister can only bring forth such a pathetic, anemic piece of legislation when the entire Province is waiting to see them get a start on another Labrador Hydro Development and when the Province is waiting to see him get a deal with Quebec on the Upper Churchill; get a deal with Quebec so that there is no impediment to our electricity in any future development flowing across that Province to markets in Ontario which, by the way, are contemplating building more nuclear reactors, despite Chernobyl, despite the thousands of megawatts that are flowing to the sea wasted. The equivalent of millions of barrels of oil every year flow into the sea unused. Despite all of this, we have

provinces in Canada that are contemplating going nuclear because we have a Minister of Energy that cannot get a hydro development going in Labrador, cannot get power exported to all of these provinces that are savaged for electricity. Then the minister stands up and proudly says he has got a structural bill here, a house-keeping bill that is going to pull together the Department of Energy which has been in shambles for the last three or four years.

MR. OTTENHEIMER:

Since the hon. gentleman left.

MR. BARRY:

Yes, since I left. I would not have said that in all modesty but I thank the minister for making that point.

MR. OTTENHEIMER:

The hon. gentleman's modesty is his strongest point.

MR. BARRY:

I was very happy to see that it took, I think, three ministers to carry on the job I was doing in my modest little way when I was over there. We had a Minister of Mines that did part of it, and we had a Minister Responsible for the Petroleum Directorate that did another. Who was in there? Oh yes, the Minister of Development (Mr. Barrett) took part of it as well. The Premier took part of it. I am sorry, there were four of them.

Mr. Speaker, when you have this crying demand for electricity in other provinces of Canada, when you have a crying need for jobs and for investment in this Province, when you have a natural resource that is going wasted and unused, I do not think that it

would be amiss when the debate on the Department of Energy comes up if we were to avert briefly to the fact that not a bloody thing seems to be happening in terms of getting more hydro development going and in terms of getting the Upper Churchill contract resolved.

Has the minister forgotten that it is within a very few months that a decision must be taken on our next generating source? We are not talking years, we are talking months in terms of deciding how we are going to keep the lights on in 1992.

The Monkstown, Paradise River project, I am very happy to see that mini project go ahead, but I have to tell the member for Burin-Placentia West (Mr. Tobin) that mini means small, mini is not mega, mini is not going to meet the needs of Newfoundland and Labrador either in residential, commercial and definitely not in terms of the industrial demand that is going to be there in the 1990s.

It is amazing to me that nobody on the other side seems in the slightest degree concerned with the fact that we have a government that is bankrupt as far as energy policy is concerned, whether it be in terms of the offshore which I mentioned an hour or so ago in debating another bill, where we are waiting to get basic fundamental information such as what is going to be the cost of a barrel of oil from Hibernia, or whether it be in terms of seeing some movement in getting other hydro development in Labrador, and getting a resolution of the dispute with Quebec arising out of the Upper Churchill contract and arising out of the fact that Quebec, although it is now



welcoming the Canadian Constitution, admitting itself again as part of the Canadian family, has not yet acknowledged a very real obligation which it owes as part of the Canadian family to its Canadian neighbour, the Province of Newfoundland and Labrador.

It is not acting as a good Canadian to block the transmission of energy which happens to be in the form of electricity when if it were coal, if it were oil, if it were gas, the same energy equivalent, there would be no right of any Province to block the transmission of that energy. Mr. Speaker, do you know something? There is no right in the Province of Quebec to block the transmission of electricity. The Constitution does not permit the Province of Quebec to block the transmission of electricity.

What permits the Province of Quebec to block the transmission of electricity is the lack of political will on the part of the Government of Canada. All the Government of Canada has to do is to amend the National Energy Board Act, give that National Energy Board the right to hear applications on the part of one province to tie into the electricity grid of another province for a cost and that is it, problem solved. You do not have to amend the Constitution. You do not have to do anything other than persuade your Conservative friends in Ottawa, who you held out as bringing in a new era of consultation and co-operation. Well, let us consult and let us co-operate and let us get on with getting the Government of Canada to see an amendment to the National Energy Board Act which would permit this

Province to develop Labrador power, not just to block the export of energy by Quebec to the United States.

I am very pleased to hear today what has happened, which I assume was partly as a result of the representation made by this Province pointing out that we need Churchill Falls energy available in this Province, rather than have it going to Quebec and Quebec, in turn, going on and exporting 50 per cent of that to the United States. We need more than that, more than being able to block the Province of Quebec from exporting. We need a National Energy Board that has the authority, given by the legislation of the Government of Canada, to hear an application from the Province of Newfoundland and Labrador.

Would it not be great if tomorrow the Minister of Energy, under his new departmental act, could go to the National Energy Board and file an application on behalf of this Province requesting that the board order the Province of Quebec to grant access to its electrical transmission grid? That, in itself, would go a long way to breaking the logjam which now exists with respect to getting other hydro development ongoing in this Province.

Mr. Speaker, that is one way. I am not necessarily saying that that is the way that should be gone first, but that is one clear way, very quick, and there is no question about the constitutionality of it. The other way is for the Government of Canada to step in in an informal, unofficial capacity, as was promised, by the way, by that Conservative Prime Minister whose

credibility has been questioned on other matters. That same man, during the last federal election, promised that he would step in and he would bring the full weight of his office to bear in terms of getting the Province of Quebec to act reasonably in discussions regarding the Upper Churchill contract and regarding the export of electricity or the movement of electricity across Quebec in the future. Well, we have not seen that Prime Minister step in and bring the full weight of his office to bear to help this Province.

When you consider, Mr. Speaker, that that same Prime Minister comes out and says, 'I would love to do something to help Newfoundland and Labrador but I cannot figure out what it is. I would love to figure out a way of inflicting prosperity but I cannot figure out what it is,' what are members opposite telling him? What is the Minister of Energy telling him? What is the Premier telling him? Have they omitted to point out to him that that Prime Minister could do a lot for this Province if he were to bring the full weight of his office to bear in terms of getting a better deal for this Province with Quebec?

Mr. Speaker, the Minister of Energy and the Premier have said, 'Oh, there are some discussions underway'. Yet we see the Vice-President of Newfoundland Hydro tell the National Energy Board there have been no discussions at the official level. We see the Government of Quebec saying that the way of resolving that, they have decided, is to have the officials talk to each other, to have the technocrats talk to each other. Now, what is it? Whom is talking

to whom? Who is talking to who? Is it who is talking to whom or to whom is who talking? Is the Minister of Energy speaking to the Minister of Energy of Quebec? Is the Premier of Newfoundland and Labrador speaking to the Premier of Quebec? Is the President of Newfoundland and Labrador Hydro speaking to the President of Quebec Hydro? Can we please have some information?

Again, if we are going to have full public and open disclosure, let us have it on this point as well as the cost of a barrel of oil from Hibernia. How about telling the people of the Province just what the hell is going on as far as Quebec Hydro is concerned?

AN HON. MEMBER:  
(Inaudible).

MR. BARRY:  
I think under certain momentous occasions, when we are talking about significant issues, one is permitted to express -

AN HON. MEMBER:  
To swear!

MR. BARRY:  
Well, swearing might be a little strong. The language might be considered somewhat intemperate, but in terms of the frustration and aggravation caused by the failure of members opposite to act, by the failure of members opposite to live up to the promises they hold out to people during elections, one has to wonder.

I was passed this. In the report of the hon. John C. Crosbie, MP for St. John's West, From Parliament Hill, March, 1985, we see them down at Hotel Newfoundland. February 11, I am

sorry, the report is dated March. This was February 11 and the hands were up in the air, the then Minister of Energy, the Premier, the Prime Minister, the MP for St. John's West and Mrs. Carney, the Energy Minister of the day, they all had their hands raised in victory, the just society has arrived.

SOME HON. MEMBERS:  
Hear, hear!

MR. BARRY:  
Look, there it is. The just society has arrived. This is the Conservative MP, the Tory MP for St. John's West, a good friend of members opposite. Their arms are raised in a display of jubilation and cheerfulness.

I tell members opposite those thousands of young people that have to leave this Province every year and go off to Ottawa, Ontario or Toronto to find work, their arms are not raised in jubilation and cheerfulness. I tell you all the people who are on social assistance over on Bell Island because they cannot get work and all of the people who are on unemployment insurance who are having to get on these ten week projects and these twenty week projects, their arms are not raised in jubilation and cheerfulness, and to a large extent it is because the Minister of Energy is not doing his job in getting energy projects going.

SOME HON. MEMBERS:  
Hear, hear!

MR. BARRY:  
If you talk about one specific thing that could be done to stimulate the economy of Newfoundland and Labrador, to get her back on track, to get her

rolling, give her a shot in the arm, we could talk about not wasting money on building things that are never used, not wasting money on putting people to work building fences.

MR. SIMMS:  
Call a leadership convention, quick.

DR. COLLINS:  
Threaten to resign.

SOME HON. MEMBERS:  
Oh, oh!

MR. SPEAKER:  
Order, please!

MR. BARRY:  
Let us not waste money, Mr. Speaker, putting people to work building fences around graveyards, with all due respect to the dead and with all due respect to the members opposite.

SOME HON. MEMBERS:  
Hear, hear!

MR. BARRY:  
If you talk about investing, if you talk about a government that wants to put a shot in the arm to the economy of this Province, put it into a hydro development where you are going to have electricity that will run forever, where you will have energy generated to fuel industry that will create other jobs, where you will have tremendous construction work and tremendous construction jobs.

Mr. Speaker, if they had any interest, if those members opposite had any interest in doing anything, Mr. Speaker, except rolling out the political pork barrel from time to time, we would have those hydro projects underway. I implore, I beg, I

beseech the Minister of Energy (Mr. Ottenheimer), to get going, to get moving and get those hydro projects underway.

SOME HON. MEMBERS:

Hear, hear!

MR. OTTENHEIMER:

Mr. Speaker.

MR. SPEAKER:

If the hon. minister speaks now, he will close the debate.

The hon. the Government House Leader.

MR. OTTENHEIMER:

Mr. Speaker, I think in order to reply to the hon. gentleman I shall have to come out on the floor of the House.

SOME HON. MEMBERS:

Hear, hear!

DR. COLLINS:

Meet him on his own ground.

MR. SIMMS:

His own turf.

MR. OTTENHEIMER:

I was not sure if the hon. gentleman was coming sort of half way across or not. But I will stick here.

I am going to reply briefly to the hon. gentleman's remarks. Yes, I am going to be brief because I have always gone under the impression that brevity has much to commend it, and long-windedness frequently camouflages -

MR. DECKER:

Irrelevancy.

MR. OTTENHEIMER:

Oh, no! Not quite irrelevancy. No, my hon. friend, I must point

out, not irrelevant. I was not referring to him, so do not be oversensitive. If the hon. gentleman had spoken, then he would be sensitive. The hon. the member for Mount Scio - Bell Island is not that sensitive. He knows when he gives it -

MR. SIMMS:

Not after what he has been through.

MR. OTTENHEIMER:

- he can take it a bit too. But I have always felt that long-windedness is not necessarily a hallmark of an accuracy of position, and that usually with brevity one can make the points which are necessary.

DR. COLLINS:

The hon. member is iron-plated, especially between the shoulders.

MR. OTTENHEIMER:

I think basically one of the criticisms of the hon. gentleman is that I, as Minister of Energy, am not always making statements and always having press conferences and doing this and that. All I can say is different people have different styles. One could well say it is a lack of style. That does not particularly bother me. I do not think myself that it is necessary to always be having press conferences and always to have a certain flamboyance in order to act as a minister in a responsible and effective manner.

The hon. gentleman refers, of course, to the water flowing to the sea and I have not yet got it flowing over turbines and there is no agreement with Quebec and certain hydro projects in Labrador are not underway. One would have thought that all of these had been started by the hon. gentleman and

when he left, they were all put on halt. But they were not started by the hon. gentleman at all.

The hon. gentleman then refers to a statement, and he referred to it before in a debate on some other matter, which a Quebec official made at an National Energy Board hearing.

MR. BARRY:

A Newfoundland official.

MR. OTTENHEIMER:

Okay. A Newfoundland official made at an National Energy Board hearing, that there are no discussions at the official level. I replied to that at the time. That means there are no discussions among bureaucrats or officials of either the Quebec or Newfoundland Governments or the two Hydro Corporations.

MR. BARRY:

But Quebec is saying there is and (inaudible) the only ones.

MR. OTTENHEIMER:

There were and have been discussions between Premiers. As a matter of fact, at the recent meeting last week of the New England Governors and Eastern Premiers, the Premier of this Province and the Premier of Quebec did have discussions on this very matter.

Now the hon. gentleman will say, 'But give full disclosure!' So we will now have to recount publicly what those confidential discussions were and negotiate in public, if I am going to give full disclosure. The hon. gentleman knows that that is not the way that these things can be done.

So there were discussions between the Premier of Newfoundland and

the Premier of Quebec last week on the subject of Labrador power and related matters. It is hoped and anticipated that there will be further discussions in the near future. Beyond that, it would be very counter-productive, it would not be in the interests of the Province for me to - I was not there but the Premier has related to me what the discussions were - relate in a public forum what the confidential discussions between these two Premiers were. If that were done, I would not think that those conversations would ever necessarily take place again.

With respect to the government's position on Labrador, just today I think there was a very significant event when the National Energy Board denied an application made by Hydro Quebec for a license to export electric energy to utilities in the New England States.

SOME HON. MEMBERS:

Hear, hear!

MR. OTTENHEIMER:

Hydro Quebec had applied for a license to export 70 billion kilowatt hours of firm energy. Now, this is firm energy as distinct from interruptible energy, interruptible energy meaning they take it as they need it and some of it goes.

Quebec, in my estimation now, does not need more. Its exports are going to need to be firm. Here we have the rejection by the National Energy Board of the application by Quebec to export this firm energy. The obvious and the basic reason, I have not seen the case, I just have a synopsis of it, the basic reason being that there is an onus on the applicant to prove that this energy to be exported is

surplus to the needs of Canada and that was not done.

I might have many faults but I certainly attempt not to exaggerate the importance of things. However, I think it is fair to say that this decision is a very important factor in the mix of factors, an extremely important factor because Quebec wishes energy in order to sell. If they do not need more themselves or minimal amounts themselves and it cannot be exported to New England as firm energy because they cannot establish that it is surplus to Canada's needs, obviously it is a very, very important factor which happened at a very crucial time. I think this is extremely important. Beyond that, it would not be appropriate to comment on it, but I would remind the hon. gentleman opposite that this water flowing to the sea, the fact that as yet there is no agreement with Quebec and that the hydro projects in Labrador are not now under way, is not something which was started when he was Minister of Energy and stopped after. These are matters which have been pursued with diligence and intelligence with the best interest of this Province at stake. It was an intervention at the National Energy Board by the Government of Newfoundland and Newfoundland and Labrador Hydro and, I believe, other interventions as well, but in the judgement, which I have not seen in toto, only a resume thereof, there was specific reference to the interventions emanating from Newfoundland. This is the first win we have had because this was an application to export a sizeable amount of firm energy and that is where the action is now as far as Quebec is concerned. It is firm energy, not interruptable energy, it has been denied because

they could not establish it was surplus to Canada's needs and there is no way next month or the month after or six months or any time in the foreseeable future they are going to be able to establish that. This is a very important element in terms of a resolution within a reasonable period of time of this matter which has been so far ongoing. So I think things are better now than they have been within the past several years and this has been a very significant event, that finding of the National Energy Board.

With that, I move second reading.

On motion, a bill, "An Act Respecting The Department of Energy And Other Matters Related Or Incidental Thereto," read a second time, ordered referred to a Committee of the Whole House on tomorrow. (Bill No. 26).

Motion, second reading of a bill, "An Act To Amend The Public Service (Pensions) Act And The Uniformed Services Pensions Act." (Bill No. 40).

DR. COLLINS:  
Mr. Speaker.

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

DR. COLLINS:  
Mr. Speaker, I suppose I need hardly speak on this but perhaps a few words. We have on the books of the Province a bill called The Public Service Pension Act and another bill called The Uniformed Service Pension Act. These have been on the books of the Province since 1967. I will not go into all the details of those bills but, as one can see, these are time honoured bills which have

stood the test of time and done well for the employees of this government in the public service.

Mr. Speaker, the federal government brought in an action that took place January 1 that had an effect on these bills because these bills incorporated a co-ordination or an integration between the pension benefits that an employee of this government would receive from this government with the benefits that an employee would receive from the Canada Pension Plan. When the federal government brought in an action in regard to the Canada Pension Plan, it had an immediate effect on our bill.

Before going further I have to point out that these two pension streams have been integrated since 1967 and, to a large degree, the contribution the employee made towards his own pension benefits, which were matched by government, certainly in recent times anyway, related to the fact that the two pension streams were co-ordinated and integrated. If they were not co-ordinated and integrated, presumably there would have been a different contribution level required. Anyway, there was that correlation between the contribution level and the integration of the two plans.

When the federal government brought in an action in regard to the CPP aspect of the pension stream, it caused us immediate concern because our act, going back to 1967, stated that when an employee became eligible for CPP benefits, there was a reduction factor put in in terms of the provincial stream of his pension benefits. This is a statutory thing. Everyone knew about it or at least, if everyone did not know

about it, it was on the books and it was common knowledge. The statute was arranged and organized that way and certainly anyone who had a responsibility for advising employees about their pension benefits knew about this fact.

When the federal government brought in this change in CPP benefits, we were faced with a problem because the employee was eligible to get early CPP benefits. It does not matter whether he got them or not, as long as he was eligible, our act said we had to reduce the provincial stream. When we first saw that, we said, 'Supposing a person is eligible but they do not take up the eligibility because the CPP benefits are actuarially reduced.' That means that he will get less CPP benefit at, say, age sixty than under the old scheme, if he only took his CPP benefits at sixty-five. He was going to get less CPP benefits, and if he got less CPP benefits, he would always get less CPP benefits. It was not a one shot deal. Once he made that decision, he would always get less CPP benefits.

An employee might well say, 'Well, I do not want to get less CPP benefits. No matter what the Feds say I am eligible for, I am going to wait to sixty-five when I will get full CPP benefits.' But our act would say, if he made that decision, it was immaterial. He was eligible, therefore we were required to bring in the reduction factor. So that cause us concern.

We were the first province to react to that concern and we put a paper through Cabinet and got Cabinet's permission to bring in an amendment to our act which would change it from eligibility

to receive CPP benefits, to the receipt of CPP benefits. That would mean that if an employee elected, for very good reasons, not to take up early eligibility for CPP, but would wait, he would now be protected. There would not be a reduction factor brought in. That is what this act that I am speaking to now, Bill 40, does. That is a very sensitive action for this government to have taken, to change our pension act to react to this new situation which, I guess, was never contemplated but is now a fact.

We did not leave it there. As I said, we were one of the first provinces to react in this way, so we continued communication with the federal government so we could define more clearly what was the intent in their mind and what they saw as the implication for provincial plans.

It is a regrettable fact that the feds did not consult with us closely on this. I will not say they did not consult at all. We had some indication they were going to bring in early CPP benefits quite a while ago, but they did not consult with us in detail as to the impact on our plan. The impact on our plan was going to be different from the impact on the plan in that province and that province and that province, because the plans are not the same across the country. There is quite a significant difference in the various plans. There should have been close consultation with each province as to the impact of this measure. Unfortunately, that was not the case. Having made this first sensitive move, we continued discussions with the feds to find out how their move would impact on our plan. We finally got our acts

together.

Our acts together indicate that we can go further than our further reaction which is embodied in Bill 40. We can make another adjustment which is sensible, which fits in with what the feds have in mind, as we now discover. It is what we feel we can do without doing damage to our plans which, as everyone knows, are under very heavy pressure because of a very large unfunded liability that is at least twice what any other province has.

I will just give a figure here. I do not want to be held to this precise figure, but the average unfunded liability of public pension plans across the country other than Newfoundland is about 50 per cent unfunded. We are about 75 per cent unfunded. So we have a particular concern about our pension plan, and that concern translates into concern for our employees because if our pension plans get into trouble, the pensioners, to whom we have a responsibility, get into trouble. So we have a great concern about our plan, and that translates into a concern for our pensioners.

We felt we could make another change that would still fit in with what the feds finally had in mind, as we now discover, what we can do on a reasonably sensible actuarial basis. I will bring in an amendment at the Committee stage to this bill that will lay out that second move.

In rough terms, what this additional amendment will do is, as the CPP benefit is actuarially reduced, - I hope everyone understand what that means. That means that the feds -



AN HON. MEMBER:  
(Inaudible).

DR. COLLINS:

No, I have to explain it because you have a very poor grasp on pensions as your remarks over the last few months have shown. You have a very inadequate comprehension of what pension payments are all about. I have to explain that CPP benefits are not being increased. The CPP cost to the federal government is not getting any higher because of this new move they made. They are merely spreading out over a longer period of time what they will give pensioners. That is what actuarial reduction means. It is just that it is the same amount given over a longer period of time in lesser amounts.

So what we are now going to do is we are going to actuarially reduce the reduction factor. This, therefore, will integrate with the federal intention and will give a further measure of equity to the whole system.

Mr. Speaker, this was something that the federal government and ourselves have come to a community of thought on, once we learned exactly what they had in mind as to the impact on the various pension plans across the country, and as they understood our plan because we had to send them further details on how our plan worked and how our plan is different from other plans. We have informed them about all that. Having done that, we have come up with this arrangement and I think that this will be a further improvement on the very sensitive measure that we brought in in the first place when Cabinet gave permission to bring an amendment, that is now Bill 40,

before the House in the first place.

Mr. Speaker, I do not think I will go any further at this time. As I say, at Committee stage - I cannot do it now according to the rules - a colleague of mine will actually introduce this amendment to the bill that is now on the Order Paper.

So, with those words, I move second reading.

MR. LUSH:  
Mr. Speaker.

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

MR. OTTENHEIMER:  
Will the hon. member yield for a moment please?

MR. LUSH:  
Yes.

MR. OTTENHEIMER:  
I do this after consultation with the Leaders of both caucus in Opposition.

MR. SPEAKER:  
The hon. the Government House Leader.

MR. OTTENHEIMER:  
I move that the House not adjourn at eleven. Just by way of explanation, we will not sit beyond one because we will be coming back at ten o'clock tomorrow morning. So we will not sit beyond one, but let the House not adjourn at eleven. I think that is a motion which would be put now, and then, obviously, the hon. gentleman would continue.

MR. SPEAKER:  
The motion is that we do not

adjourn at 11:00 p.m.

All those in favour, 'Aye'.

SOME HON. MEMBERS:

Aye.

MR. SPEAKER:

Those against, 'Nay'.

Carried.

The hon. the member for Bonavista North.

MR. LUSH:

Mr. Speaker, I am not sure that the minister need to have gone through all of that fiddle-faddle and flapdoodle to try and rationalize that he had botched it completely when he brought in this bill originally.

SOME HON. MEMBERS:

Hear, hear!

MR. LUSH:

The simple fact is this, Mr. Speaker: The minister now is not going to apply the same large reduction factor that he had intended to apply in the first place. Without getting into the actuarial language, that is what it means. It means, quite simply, that the reduction now is not going to be nearly as excessive. It is going to be a much smaller reduction spread out over a longer period of time, the same suggestion that I made when I was speaking to this bill a couple of days ago.

SOME HON. MEMBERS:

Hear, hear!

MR. LUSH:

So, Mr. Speaker, I say, thank God for strong Oppositions! People have wondered what good the Opposition does. We have

demonstrated here today what good an Opposition can do, Mr. Speaker, by rejecting and by debating and by disagreement with the various pieces of legislation and the bills that the government will present before this House.

It is too bad, Mr. Speaker, that hon. members opposite do not study the bills to find out their significance. But, Mr. Speaker, we are glad that we brought the minister to his senses. We are glad that we had that effect and now, as a result of what we have done here, as a result of the objections raised on this side of the House by both Opposition parties, the minister has finally seen the folly of his ways and has decided to take the lesser of two evils.

Mr. Epp suggested two ways out of this. One was to forget the reduction factor entirely. That, of course, would have been the better thing to do, but a half loaf is better than no loaf at all, Mr. Speaker.

SOME HON. MEMBERS:

Hear, hear!

MR. LUSH:

The bill itself would have somewhat improved the situation over what it was. Before the bill was brought in, when a person became eligible to receive Canada Pension and chose to retire at age sixty, whether the person opted to receive or to accept Canada Pension or not, there was an automatic reduction. There was an automatic reduction whether the person decided to accept Canada Pension or not. Mr. Speaker, that did not seem very fair. It was certainly unjust.

The effect of the bill that the

minister places before us, Bill No. 40, would be to remove that inequity and give the person the freedom of choice. So if a person accepted Canada Pension, then, of course, the provincial pension would be reduced, but if the person decided not to accept the Canada Pension, then there would be no reduction.

The irony of it is this: Since the province obviously is looking for more money, what would happen in the case where a person did not receive Canada Pension? They get the full benefits of their provincial pension, the full benefits. Supposing everybody decided to do that, the government would not get a nickel, not any benefit at all. Mr. Speaker, one can surely see on that basis that since the Province would receive no benefits from people who were not receiving Canada Pension, why could it not apply all the way across the board? Anyway, Mr. Speaker, be that as it may.

We are happy that the minister finally heeded the pleas on this side of the House from both parties here that what this bill was doing was certainly unjust and unfair to people who decided to take an early retirement. We are certainly glad that now the minister has decided to make these reductions less severe.

Mr. Speaker, we are proud of that and we will support this bill with the amendment.

SOME HON. MEMBERS:  
Hear, hear!

MR. LUSH:  
I just want to take a look at the amendment just for a moment, Mr. Speaker. Without getting into the language of the bill, what the

bill does in essence is to have a smaller reduction than was the case previously. Mr. Speaker, this will mean a lot to the pensioners of this Province. As a matter of fact many of them who called me suggested they would be happy with this arrangement, they would be happy with making the reduction smaller. Some of them even suggested percentages, if they are only 50 per cent smaller or 25 per cent smaller because, to a lot of these pensioners, \$400 or \$500 means a lot of money. They can do a lot with \$400 or \$500.

I believe there are going to be a lot of pensioners in this Province tonight happy because of the actions taken by the Opposition and happy because the government finally saw the folly of their ways.

SOME HON. MEMBERS:  
Hear, hear!

MR. LUSH:  
Mr. Speaker, without delaying the process any further, let us say we are glad that the minister decided to bring in this amendment to ensure the reductions are smaller, thus giving the pensioners of this Province more money in their pocket, Mr. Speaker, more disposable cash and we are happy for it.

Thank you very much.

MR. FENWICK:  
Mr. Speaker.

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

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

Just to differentiate, we do not intend to vote for the amendment.

As a matter of fact, we have just done some hasty calculations and, quite frankly, it looks like in the best circumstances about one third of the money that is being robbed by this government from the pensioners is being given back by this.

We admit it is a little bit better than it was before. I think it indicates a degree of guilt. The Minister of Finance (Dr. Collins) is feeling for this terrible thing he is doing to his pensioners and to future pensioners but, the fact of the matter is, it is not enough, and it just will not do the job. Unlike the Liberal Party, we have no intention whatsoever of voting for it. We will put our own amendment in to bring it in line with what is being done in the rest of the country, not with what is being done here.

Mr. Speaker, in speaking to the principle of it I have a number of points I want to make. The first is to clear up this argument about who is lying in this House, whether it is me or the Minister of Finance. I use those words because that has been said again and again that we both cannot be right, and the Minister of Finance has said that and he is quite right. We both cannot be right because the Minister of Finance stands up and says -

MR. SPEAKER:  
Order, please!

The hon. member has said in his debate that hon. members are lying in this House.

MR. FENWICK:  
No, no, I did not say that, Mr. Speaker, what I said was that the Minister of Finance has said that

we both cannot be right, one of us must be lying.

MR. SPEAKER:  
Order, please!

The Chair heard the hon. member say that the Minister of Finance or the hon. member who is speaking is telling lies and in a debate in this House we cannot refer to that.

I am going to ask the hon. member to withdraw that statement.

MR. FENWICK:  
Mr. Speaker, if I said that the Minister of Finance is lying, I withdraw it. Okay?

MR. SPEAKER:  
Fair enough.

MR. FENWICK:  
Obviously there is an inconsistency. I am saying that the Minister of Finance and the actions he has taken since January 1 is taking money from the pensioners of this Province and is taking money from the people who will be retiring in the future.

The Minister of Finance is, on the contrary, saying Bill 40 is giving them something. As a matter of fact, Mr. Speaker, if you read carefully the legislation, you can interpret the legislation, and I would suggest the only interpretation which makes a lot of sense is to say that the minister really did not have the authority under that legislation to do what he has been doing since January 1. Let us have a look at the legislation.

In the Public Service Pensions Act, I am reading from Section 14, the amendment that was passed in 1977. It says, and you go through the whole section in it but let us

get to the section which is important, Section 5, "A pension shall not be reduced under subsection (3)," and that is the calculations section, "until the employee is either eligible to receive benefits under the Canada Pension Plan or would be entitled to receive such benefits if the employee had applied for them."

The question is, what does that mean and how should that be interpreted? If that was interpreted strictly on January 1, every single pensioner of the government at age sixty would automatically have the reduction factor moved in, whether they took the early CPP or not. That is the way that reads. I would suggest to you, Mr. Speaker, that is a foolish reading of it because surely the provincial government is not saying that we will arbitrarily rip a person's pension down because there is a possibility of him getting some more money, but they have not even taken it. Indeed, when it was looked at by the Minister of Finance, he very clearly saw that it was impossible to support that kind of interpretation. What would happen is there would be several thousand pensioners out there who receive not a cent more from CPP because they did not want to take it now, who would have their pensions reduced. The only interpretation he made was create a new clause in his mind and he did that. In his mind the clause would read as Bill 40 here, that only if you took the CPP earlier would we reduce it. Clearly he had no authority to do that.

The proper interpretation should have been that back in 1967 when the legislation was drafted and in 1977 when it was amended, it should have meant that you would

get this reduction at age sixty-five. That was clearly what was intended or when you receive a disability pension, which is another travesty but one which we will not go into this evening.

The fact is that is the only logical interpretation to make on it, that it was meant to be at age sixty-five. This was just wording that was put in that way in order to reflect thinking that went back almost twenty years ago when this plan was started.

There is no way the minister could sustain that interpretation because there would be rebellion in the streets with people saying, "How can you take my pension and reduce it and I am not even claiming the CPP early?" That is the only way in which you can read it literally.

When you read a piece of legislation and it does not make sense, then you start looking back on the origin of the legislation, what it is supposed to mean in order to get an interpretation. That is the only way it can be done. Clearly it meant that you were supposed to reduce it at age sixty-five and only at age sixty-five, or when you received a disability pension. On those grounds the minister has been behaving in a matter inconsistent with his legislation and consistent with what he wanted to get through the House at a later date.

Let us see what that change has meant. I have an example worked out. Let us take a provincial pensioner who works thirty years for this provincial government from age thirty to sixty and at that time is eligible for a \$10,000 per year provincial

pension. Let us not argue that that is below the poverty line if he has any obligations, but \$10,000 is what he is getting. This, by the way, is \$2,000 more than Jim Cooper, one of the examples that we have been seeing on television over the last little while. He gets \$10,000 at age sixty. What happens when the reduction factor gets in? The reduction factor is .6 per cent, times the years of service, or 30 times .6, or 18 per cent off. Eighteen per cent of \$10,000 is \$1,800.

Normally that \$1,800 should have come off at age sixty-five when he gets his Canada Pension Plan but, because of the minister's mean-spirited interpretation of what is going on, he takes it off them right now if they take their CPP. So \$1,800 is what he is going to lose. So they take the \$1,800 off him. Now he goes down to \$8,200 instead of a \$10,000 pension. He loses \$1,800 for five consecutive years until he gets to age sixty-five.

By the way, I now want to show you what the amendment would do. According to the amendment, the reduction of that will be by .5 per cent, times the years of service. My estimation is that in this example of the \$10,000 a year pensioner, instead of being reduced by \$1,800, he will be reduced by about \$540 if he takes it at age sixty. In other words, a little less than one-third is being given back by the minister but the other two-thirds he has still got in his kiddy and he is still keeping it in his pocket. That is one of the reasons we have no intention of voting for the amendment. It is only a little less than one-third of a loaf in that case and we do not think it

is good enough whatsoever.

Mr. Speaker, I consider this one of the most mean-spirited actions by this provincial government they have ever taken. I am telling you, unless this government wakes up, there are thousands of pensioners out there who are going to throw them out in the streets at the next election for what they have done.

In the canvassing I have been doing in the St. John's East by-election, again and again public employees and pensioners are outraged by this travesty on them.

DR. COLLINS:

If they believe your distortion.

MR. FENWICK:

They do not know what you are saying. What they are saying to me is that they understand that their cheque has gone down, for God's sakes. They see it in their pay cheque every month. They know it is gone down. Even with your 3 per cent increase on it for people after age sixty-seven, it has gone down.

DR. COLLINS:

That is not true. It has not gone down, it has gone up.

MR. FENWICK:

It has. They told me it has and they say it again and again.

DR. COLLINS:

Do not be so stupid.

MR. FENWICK:

Let us give you some numbers in elementary mathematics. There are 24,000 in the public service covered by the Public Service Pension Plan. There are another 6,000 pensioners that we have out

of the public purse. About 4,000 of them are public service pensioners and another 1,000 in the uniform services, give or take a few. That is close to 30,000 who are being directly gouged by your actions and know they are being directly gouged because we are telling them and we are telling them again, and even giving back less than one-third is not enough. Those 30,000 and their spouses and their children are enough to take this government and throw it into the water, especially in places like St. John's.

DR. COLLINS:

(Inaudible) and you have played with it for a long period of time.

MR. FENWICK:

I say to the minister over there, who is in St. John's South, every public employee will eventually know the big grab that has been done on his wallet by his actions. He will know that, she will know that, they will all know that and the pensioners already know it. They are not impressed by the kind of sophistry that the minister is putting forward.

He talks about our unfunded liability, \$1.2 billion or something in that range. That is not surprising. We have not had a funded plan. It was only funded since 1980. If government had been putting the money in for the 1970's and the 1960's and the 1950's when the plan started, we might have no unfunded liability. The Public Service Pension Plan is not the one that is in trouble.

DR. COLLINS:

You are wrong.

MR. FENWICK:

It is the Teachers Pension Plan

that has \$600 million in unfunded liability whereas the public service one has only \$500 million. The fact of the matter is the public service one has a \$200 million balance since 1980, in a short period of seven years. In that time, it has been increasing the amount of money in the fund. If it had been going on continuously, it would be in great shape.

AN HON. MEMBER:

Tell the truth.

MR. FENWICK:

Why are you picking on the pensioners who have the lowest pensions and who are paying the highest number of premiums in all our system? I do not understand it. But the people who are working in the public service know it now. They know exactly what you are doing to them and they are not going to let you get away with it, even though you have given them a token back.

By the way, the token shrinks pretty quickly. My calculation is, if the guy was sixty-four instead of sixty, the reduction in the offset would not have been \$1,800, it would only be about \$100. Because, as you notice, the way you have done it is you reduced it depending on how long he or she is reduced from getting their Canada Pension Plan.

Just to make the final point of it: Why you are doing this when you did absolutely nothing to give the extra money that is coming from CPP, I do not know, because there is not any extra money from CPP. What Canada Pension Plan has said in the past is you can get a pension at age sixty or above. Now, what they did this last January 1 was say, you could get

it at sixty-five or above before and now you can get it before age sixty-five down to as low as age sixty. But for every month early you get it, you lose one-half of 1 per cent of your pension. So if you get it five years early, you lose 30 per cent of your pension. So if it was a \$6,000 pension it is now a \$4,000 pension. So the pensioners take that pension early at \$4,000 instead of \$6,000 and then you cruelly go and haul our other pension down at the same time. They will receive that pension for the rest of their lives at a lower level, the Canada Pension Plan especially.

What they have done is, if they take it earlier, you have taken advantage of them. It does not matter how many times you say I am wrong, in the pocketbooks of the pensioners of this Province they know I am right. They know I am right so much that the 30,000 of them and their families and their spouses will wreak havoc on you in the next provincial election for the travesty you have done on them.

Quite frankly, this amendment you are bringing in here is too little, too late, but it does admit that you are guilty. You are worried politically and that is all I want to know. You are going to get destroyed on this pension and I will make sure you do.

Thank you very much, Mr. Speaker.

DR. COLLINS:  
Mr. Speaker.

MR. SPEAKER (Mitchell):  
If the hon. minister speaks now, he will close the debate.

The hon. the Minister of Finance.

DR. COLLINS:

At this hour of the night, you can expect to hear some garbage and we have heard it.

MR. SIMMS:

A political speech that is all.

DR. COLLINS:

I guess that is out of the way now.

Mr. Speaker, Mr. Epp and this government, myself specifically, have been communicating over this matter for some considerable time. Mr. Epp and his office, and myself and my office have come to a sensible arrangement once we got both thoughts straight on it. He understood our plan, we understood what his intention was, and we have come to this conclusion.

Mr. Speaker, when we deal with pension matters, we do not do it just on the back of an envelope, as I understand some people deal with pensions. We hire a person called an actuary, quite an expensive consultant, and we pay a good fee. It is a very specialized subject. As a matter of fact, this government was instrumental in having an actuary come to this Province a few years ago, the first actuary ever living in this Province.

MR. BARRY:

Is not the computer going to do away with a need for an actuary?

DR. COLLINS:

No, you have to have the experience that you only get from a very intensive training in this rather arcane subject. So we brought the actuary in on this, and our actuary showed this was a sensible arrangement to get into in co-operation with the federal government. Yes, this is neutral. It does not benefit us,



but it does offset any possible damage that a pensioner might have because the CPP bit was being actuarially reduced. So when you bring in these actuarially reduced CPP benefits and bring in our actuarially reduced reduction benefit, it evens out so everyone is on an even keel. That is our actuarial expert's assessment of the suggestion that was put to us by Mr. Epp which we studied and communicated over before we came up with this particular arrangement.

As I mentioned earlier, it is unfortunate - and I admit this and I am sure Mr. Epp would admit this - that the feds did not communicate with us and consult with us in detail over this particular matter. As I say, it is not something that you can do and it is equally applicable across Canada.

Our pension plan is very different from the Nova Scotia Pension Plan, the Ontario Pension Plan, the B.C. Pension Plan, so these things should have been done on a one to one basis, the province with the federal government, and we would have been able to come to a better arrangement earlier than we have. Although I do have to point out again that the initial approach by this government that resulted in Bill 50 is a very sensitive approach.

The hon. member says forget what was in the statutes. Do not pay any attention to statutes. I am not surprised at that. The NDP, if they do not like anything, they say, 'Forget it, it does not matter whether it is the law. Laws do not mean anything to us. We break laws. If the law says essential workers, we do not care about laws, we will go out and

break laws.' So what else is new? That is the NDP. The NDP have this vision. 'We are right and I do not care what the facts are. I do not care what the laws are. I do not know what everyone else thinks. I do not care what the opinion from justice says about this sort of thing, we have a view and we must be right and we will go that way and we will forget everything else.' That is the NDP attitude. What else is new? Mr. Speaker, that is the explanation for this. We now have in place a very good arrangement over this complex subject.

I might also just remind hon. members that the whole pension issue is now under review, stimulated by the actuarial reports we got a little while ago showing that we have a real problem in terms of an unfunded liability. We have completed, essentially, a very indepth review, where we consulted with our employees' representatives, and so on and so forth, and I will be putting together a white paper on the whole matter within a very short period of time and this will be made available to members of the public and groups, and so on and so forth, who have input into our pension arrangements for the Public Service and we expect that out of that many matters, many concerns will be brought forward, and we will do our best to address them and to resolve things so that our pension plan remains financially viable and we have put in place the best arrangements to satisfy the retirement needs of our employees. With those words, I move second reading.

On motion, a bill, "An Act To Amend The Public Service (Pensions) Act And the Uniformed Services Pensions Act", read a

second time, ordered referred to a Committee of the Whole House on tomorrow.

MR. OTTENHEIMER:  
Motion 2. Bill No. 20.

On motion, that the House resolve itself into Committee of the Whole to consider certain resolutions, Mr. Speaker left the Chair.

### Committee of the Whole

MR. CHAIRMAN:  
Order, please!

### Resolution

That it is expedient to bring in a measure to amend The Income Tax Act.

DR. COLLINS:  
Mr. Chairman.

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

DR. COLLINS:  
Mr. Chairman, we are debating a resolution which deals with the Income Tax Act, and this resolution will cause a bill to be brought before the House and that bill is the fulfillment of a promise or an indication made in the budget.

Mr. Chairman, you will recall that in the budget this government brought in a full range of measures designed to encourage entrepreneurship and to encourage small business in this Province, small business which will spin off, in a sort of geometric fashion, into jobs and the creation of wealth and, therefore,

the alleviation of unemployment and the alleviation of low salaries in this Province.

I am not saying that this is all going to happen overnight, but this is the approach, that by stimulating small business, by getting the private sector moving more vigorously, we will end up with a better result. Now, one of the measures was that we brought in a three-year income tax holiday for small businesses, and that is what the bill which comes out of this resolution will do. It is a tax holiday for new Canadian controlled private corporations and will apply to the first \$200,000 of eligible active business income. And the reason why \$200,000 was picked is that is the definition of small business in federal statutes, and we follow the federal statutes in that regard. They will have this tax holiday from the payment of corporate tax for a three year period.

Any business incorporated between April 2, 1987 and April 3, 1989, during that two year period, will be eligible to get in on this three year tax holiday.

Now, the newly incorporated business must not be related or associated with a corporation now carrying on business, it must be a new business. We are not giving a tax holiday to presently existing and operating small businesses, it is new business. However, there is ministerial discretion in the bill whereby if a small business is operating in one part of the Province and they start up in another part of the Province, if it seems that this is not just a McDonalds, or whatever, and I do not want to be pejorative about McDonalds, but that this is not

just another branch of their's starting up - that is not the idea - or Burger King, or whatever, but if it seems that, say, there is a small business in the St. John's area and a group of entrepreneurs want to set up a small business in, say, the Corner Brook area and they are the same group of investors, entrepreneurs, if I as the minister, and with the concurrence of my colleagues in Cabinet, decide that this is legitimately a new business venture in another part of the Province, they can also get in on this tax holiday.

The way it will work is that they will get a certificate of eligibility for this income tax relief for a three year period, they will put it in with their return to the federal government, and then the federal government will process it and will relieve them of the tax obligations. With those words, I move the resolution.

MR. LUSH:  
Mr. Chairman.

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

MR. LUSH:  
Again, Mr. Chairman, being a very humble character and not wanting to take credit all the time for measures adopted in this House, the important thing, as far as we are concerned on this side, is that steps are taken to improve the economic lot of people in this Province, to improve the economic development of this Province, but from time to time we need to point out, I suppose, what we do over here, what the Opposition is doing. This is a measure that we have been recommending for some time. I believe if you check the

resolutions on the Order Papers over the past couple of years I believe you will find that that particular resolution appeared on the Order Paper, particularly on Private Members' Day, for two years, 1985 and 1986. So it has been a policy of the official Opposition for some time that we have this tax free holiday for small businesses to encourage them to set up in various parts of this Province, particularly in areas of high unemployment.

We saw this as a means to encourage the setting up, the establishment of new businesses, and we certainly will support this measure since it was this side of the House that made the recommendation, and made it specifically.

MR. CALLAN:  
It was the brain child of the Opposition.

MR. LUSH:  
Exactly. So we will certainly support it.

However, I am informed, and I want the minister to address this when he rises in his place to close the debate, that this tax free holiday only applies to incorporated businesses. Now, I ask the minister why it would not be possible to extend this measure to unincorporated businesses. I may be wrong, but I am told by some of my colleagues that, as far as they understand, it only applies to incorporated businesses. Now, maybe there is some reason that I do not understand, I am not a legal person, but on the surface there would appear to be no reason why an unincorporated business could not receive this tax free holiday as well as an incorporated business.

As my colleagues point out, there are as many unincorporated businesses in Newfoundland as there are incorporated businesses, probably more, and when we look at small businesses, then I think we will find that a lot of them are unincorporated and they are very successful. Many, many successful businesses in Newfoundland are not incorporated.

Mr. Chairman, maybe the Minister of Finance can address that, and address it specifically as to why he did not make this tax free measure apply to unincorporated businesses as well as to incorporated businesses. Mr. Chairman, having said that, we certainly agree with the principle of the bill and we believe that it is a measure that is going to certainly develop this Province, and is going to develop the economy of this Province. Of course, nobody will be able to see the results of it, I suppose, until another few years down the road, but I believe that it is certainly a good move, a good measure, and one that should stimulate small business growth, business development in this Province.

If the minister would simply address the matter I have raised with respect to why unincorporated businesses cannot qualify, maybe he will convince me that they should not. But, at this moment, I think all small business, incorporated and unincorporated, should qualify for this tax free holiday.

On motion, resolution carried.

Motion, that the Committee report having passed a resolution and a bill consequent thereto, carried.

MR. OTTENHEIMER:  
Motion 3. Bill No. 21.

Resolution

That it is expedient to bring in a measure to amend The Insurance Companies Tax Act.

DR. COLLINS:  
Mr. Chairman.

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

DR. COLLINS:  
Mr. Chairman, this, again, comes out of the budget, and this motion, if passed by Committee, will mean a bill will be brought in to effect a change, the change being that the tax to be payable by insurance companies will be increased from the current 3 per cent to 4 per cent. This tax is only paid by insurance companies and is based on the gross premiums of the company for the year, and it covers all sorts of insurance. Except for marine insurance, it covers all other forms of insurance.

The tax has been in existence since 1957, and it was last increased in 1979. It is expected that this increase will generate an additional \$2.8 million, so that our total take from this tax will be \$10.5 million. There will be some proration for this year because the tax will only apply for nine months of this present calendar year.

Now, Mr. Chairman, we have had, as one would expect, some representations from the insurance companies about this. We have had representations from the national organization dealing with

insurance companies, and that is to be expected, no one likes an increase in taxes. We had similar representations in 1979, when it was suggested certain dire consequences would happen. These did not happen, as a matter of fact, and most other provinces increased their rates to become comparable with what we put in place in 1979. The representations we got from the insurance companies this time were not nearly as vigorous as they were in 1978, so I think they do not like the increase but, nevertheless, I am sure they will live with it. The only reason we are putting it in is to increase our revenues because we have essential public services to discharge and we need those revenues.

Hon. members know that the federal Minister of Finance (Mr. Wilson) released a white paper tonight on tax reform. Tax reform will impact particularly on insurance companies and other financial institutions, so somewhere down the road we might well have to look at our insurance tax to see if there is, shall we say, double taxation or unduly heavy taxation on insurance companies. That stage is not reached yet, but we certainly have it in mind. I move the resolution.

MR. LUSH:

Mr. Chairman.

MR. CHAIRMAN:

The hon. the member for Bonavista North.

MR. LUSH:

Mr. Chairman, for some time now, we have been critical of this government and its revenue-generating practice. It seems as though this government is

not very creative or very innovative when it comes to generating money, when it comes to the revenue side. It seems as though they have to always revert to taxes which affect the consumer. These are the taxes which bother this side of the House, taxes which bother the consumer.

Mr. Chairman, we already pay excessive rates for insurance. As a matter of fact, there is an interesting letter in *The Evening Telegram* today where a gentleman is complaining about the escalation in his insurance. I believe it went up from \$1,000 to \$1,700 from last year to this year, in one year. I think the gentleman said that he had one accident and it was almost twice the premium.

Mr. Chairman, we do have horrendous rates of insurance today and it is almost becoming unbearable. It is almost becoming so expensive that people cannot afford to buy insurance. Mr. Chairman, to put an additional tax - and I realize it is not much, it is 1 per cent, from 3 per cent to 4 per cent - but, Mr. Chairman, it is a tax that is going to be levied on the consumer.

Maybe the minister can tell me differently. If the minister can tell me that that increase will not be absorbed by the consumer, then I will feel a lot happier. I will give a tremendous sigh of relief if I know the consumer is not going to be the one to have to pay that increase.

It is my feeling that that \$2.8 million that is going to be generated by this tax increase is going to be borne totally by the consumer of this Province. That

\$2.8 million is going to stuck on the cost of insurance to the consumers of this Province.

I believe this is a matter that the Minister of Consumer Affairs and Communications (Mr. Russell) should address, this tremendous high cost of insurance in this Province. I believe that he should be looking into the cost of insurance for the people of this Province.

SOME HON. MEMBERS:

Hear, hear!

MR. LUSH:

It has been done in other provinces in Canada, Ontario in particular. They are trying to bring the cost down so it will not be as difficult for the ordinary or average person to buy an insurance. Mr. Chairman, here in this Province we are caught with it in every way. We have the highest retail sales tax in Canada, we are paying the highest price for gasoline, we are paying top dollar for our insurance and now we have another tax stuck on.

Mr. Chairman, we find that rather offensive. It is not the way we believe that money should be generated. If this government were managing the fiscal matters of this Province in a more effective and more efficient manner, we would not have to apply that tax here today. It is because of the fiscal mismanagement of this Province that they have to apply that tax.

Mr. Chairman, I wonder if the minister can assure us that that tax will be absorbed by the insurance companies and not by the consumers of this Province.

MR. CHAIRMAN:

Shall the resolution carry?

DR. COLLINS:

Mr. Chairman.

MR. CHAIRMAN:

The hon. the Minister of Finance.

DR. COLLINS:

I am sorry, I was attempting to get to my feet, Mr. Chairman.

MR. CHAIRMAN:

The hon. the Minister of Finance.

DR. COLLINS:

Just for clarification purposes, Mr. Chairman, the hon. member asks if the consumer of insurance bears this. How can you say no to that? Everything gets passed on to the consumer sooner or later. All I can say is that this is not direct, this is not a premium tax, this is on the companies and I suppose the companies then will, to some extent, pass it on. I suppose any tax applied in the corporate sector ultimately ends up on the consumer.

I do have to point out though the insurance company tax is essentially in lieu of corporate tax on insurance companies because insurance companies can so arrange their affairs that they pay no corporate income tax. I think I saw the figure a little while ago. I think there is \$50,000 - a measly amount - collected by the federal government from insurance companies throughout Canada, like Manufacturers Life, Confederation Life, you name it, all these huge, big companies and the federal government only ends up, in terms of corporate tax, with \$50,000. So you have to have another taxing mechanism to make up for the way they can get away from the corporate tax side of things through their reserves and so

forth. So, look upon it as a corporate tax on insurance companies. And, of course, if you put a tax on mining companies, I suppose some consumer sooner or later pays it, or if you put a corporate tax on a paint company, somewhere along the line a consumer pays for it. You cannot avoid that sort of thing. But this is not different from that type of taxation.

On motion, resolution carried.

Motion, that the Committee report having passed the resolution and a bill consequent thereto, carried.

MR. SIMMS:

Motion 4. Bill No. 22.

#### Resolution

That it is expedient to bring in a measure to amend The Financial Corporations Capital Tax Act.

DR. COLLINS:

Mr. Chairman.

MR. CHAIRMAN:

The hon. the Minister of Finance.

Mr. Chairman, this, again, is a change from the budget. This is a capital tax. This is a tax imposed on banks and loan and trust companies, not other forms of corporations, just those financial institutions, and we are raising the tax from 1.5 per cent to 2 per cent. This tax applies to their paid up capital. The tax has been in existence since 1982. This administration brought it in in the first place. There are, I think, about six other provinces, or something of that order, which have a similar tax, so it is not too unique, but all provinces do

not have it. It will generate in total this year \$3 million, of which \$700,000 will come from this increase we are bringing in. I move the resolution.

MR. LUSH:

Mr. Chairman.

MR. CHAIRMAN:

The hon. the member for Bonavista North.

MR. LUSH:

Mr. Chairman, I get up to underscore another victory of the Opposition. It looks like we have finally been successful in getting through to the Minister of Finance. It looks like we have been able to penetrate that very thick and that very callous veneer, that very thick hide of the minister, that almost uncaring feeling, that insensitive feeling. We have finally got him to admit that taxes affect the consumer. We finally got him to admit that. Imagine! Even just a week ago the minister would never, never have admitted that, so that is a victory and, goodness knows, we might make some headway with him. Now, Mr. Chairman, will he again not admit that this tax here of \$700,000 might also be passed on to the consumer?

On motion, resolution carried.

Motion, that the Committee report having passed the resolution and a bill consequent thereto, carried.

MR. SIMMS:

Motion 5. Bill No. 31.

#### Resolution

That it is expedient to bring in a measure to authorize the raising

from time to time by way of loan on the credit of the province the sum of three hundred and fifty million dollars (\$350,000,000) and such additional sum or sums of money as may be required to retire, repay, renew or refund securities issued under any act of the province.

DR. COLLINS:

Mr. Chairman

MR. CHAIRMAN:

The hon. the Minister of Finance.

DR. COLLINS:

Mr. Chairman, this resolution will result in the Loan Act for this year. The total in this 1987 loan bill is \$350 million, which compares with last year's \$275 million. Hon. members may well recall that the budget showed that this year we will be borrowing a total of approximately \$640 million. At least that is our borrowing requirement. We already preborrowed last year for this year \$45 million, and we will be borrowing from the Canada Pension Plan - this is available to us - \$52 million. Also, we do not need authority through the loan bill to borrow for our debt retirement, we get that through other acts. So that is where we end up with \$350 million in this loan bill, even though our total borrowing requirement for the year is \$640 million.

Now, Mr. Chairman, we may get into the debt of the Province and God knows what all before we finish with this bill. If so, I am quite willing to respond to any questions in that regard. There are a number of questions that could be asked, and I do not know which ones will interest the Committee at this stage, so I will not get into it at all, I will

just wait for specific questions on it. Anyway, that is what our loan bill is for this year, \$350 million, which we will borrow in the capital markets; we will borrow some of it in Canadian funds. We would like to borrow it all in Canadian funds, but it is unlikely that that amount would be available to us. We will borrow as much as we can in Canadian funds, and we will borrow the rest in U.S. funds or foreign currencies.

I move the resolution.

MR. LUSH:

Mr. Chairman.

MR. CHAIRMAN:

The hon. the member for Bonavista North.

MR. LUSH:

Mr. Chairman, this is where we get into the shocking news, this is where we get into the startling news, this is where we get into the baffling news, this is the kind of thing, Mr. Chairman, that is mind-boggling, when we look at what the Province has to borrow this year. The minister mentioned approximately \$640 million. Tonight we are asked to approve \$350 million, and these are new borrowings, new dollars. Three hundred and fifty million dollars, new borrowings, new dollars, that is \$350 million that we are going to be sunk in the hole, that is \$350 million deeper in debt. We want to make that point, that that is new money, new borrowings.

You see, the Province does all kinds of finagling with its money, rolling its debt and this kind of thing, and here we are getting this \$350 million just to take care of the routine activity, the day-to-day activities. We are



borrowing these monies just to pay off the interest on the public debt. We are not going to take anything off it, we are not going to put it down, because the public debt is increasing. All we are doing is just paying the interest on the principal. So, this is \$350 million that this bill is requiring, that is going to put us \$350 million more in debt, \$350 billion more in the hole, Mr. Chairman, through the fiscal mismanagement of this government. The startling news, the news that shocked the business world, the news that shocked the financial agents of the world was the debt on current account, Mr. Chairman. That was the shocking news and the disturbing news. This money we are borrowing here is simply going to pay off the interest. There are going to be no new programmes, Mr. Speaker. We cannot afford that. This is just money to meet the Province's interest obligations, day to day operations, to keep us moving so that the sheriff does not come in and close us up. That is what this particular bill will do.

Mr. Speaker, it is shocking news that the minister has presided over an economy that just kept sliding and sliding into one large abyss. We had the awful news, Mr. Speaker, of quadrupling the deficit on current account from \$40 million to in excess of \$170 million.

Mr. Chairman, that is the mess this minister got us into and, as a result of that, he has to go to the markets today to look for \$638 million. I wonder where we stand with respect to our credit rating? Have the Province's financial agents given a pronouncement on that yet? They said they would. It is about

time. I think they said when the budget was presented on April 2 that in two or three weeks times, three or four weeks time, they would make a statement. They did not like what they heard. They did not like the tremendous deficit on current account in particular, they did not like that but, Mr. Chairman, they said they would be ready to make some pronouncement on the Newfoundland situation within three or four week to inform the Province as to how they thought our credit rating would be affected. Maybe the minister can address that? Maybe the minister can tell us to assure the people that certainly our credit rating has not deteriorated.

I wonder if the minister could comment on that, and if not that particular issue, at least assure the people that we will not have to be borrowing monies at higher interest rates? Could the minister address that?

MR. FENWICK:  
Mr. Chairman.

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

MR. FENWICK:  
Thank you very much, Mr. Chairman.

To tell you the truth I have always had trouble with the budget that came down a couple of months ago. Honestly, it was totally unexpected, and I say that sincerely because, I do not know how the official Opposition does it, but about a week or two before a budget comes down, you sit down with the best advisors you have and you try to hypothesize what the government would do. What kind of situation are they in financially? What kind of

programmes we think that they want to put in place and so on, and try to anticipate the major features of the budget. Having anticipated them, then some sort of reasonable response could be worked out.

I must say that the Minister of Finance made that a wasted exercise this time because it was virtually impossible for any civilized, intelligent person to predict that that would be the kind of budget that this government would bring down. The kinds of words that sprung to mind when I saw the numbers and the kind of deficit that was proposed were irresponsible and foolish. Finally, the last words were, 'This has got to be an election budget because you cannot possibly go to the well twice in a situation like this because the financial people would just cut your head off if you ever tried it again.'

Mr. Chairman, it is an incredible situation where a Province with a \$4 billion-plus debt, which was our debt coming into this fiscal year, would be increased by close to \$400 million. In other words, there was a substantial 10 per cent increase in our gross debt.

Those numbers would be great if we were Ontario and we had 10 million and a very low unemployment rate. But when you work it into an area where we have 564,000 or 565,000 people, and shrinking every year as people move out and go elsewhere, and when you work it out as an average, you find out that the average amount of money owed by each human being in this Province is approximately \$8,000, our share of the provincial debt.

I have a wife and I have six children. I figure that eight of

us owe something like \$64,000 as our share of the provincial debt. Mr. Chairman, that is really frightening. If my own personal debt were that much, I would have some real problems with it. I would suggest that given the backbenchers' salary, and that is all you are living on, that all of the rest of us would have trouble if \$64,000 was the amount of money that they owe. In some situations, Mr. Chairman, you might only have yourself and your wife or you might not even be married, in which case it is a smaller proportion but that is a petrifying amount of money for a Province our size to owe.

I was checking with Nova Scotia the last time I was there. Nova Scotia has about 200,000 more people. What is their debt? About \$3.5 billion. It is about \$1 billion less than ours is and yet they have a couple of hundred thousand people more and a slightly more robust economy, although it is nothing to write home about. Even they feel petrified by the amount of debt load they are carrying.

By the way, I refuse to go into this phony differentiation between current account deficit and capital account deficit in terms of what it means to us as a Province. I know there is a fine bookkeeping point here but until we get to the point where we can sell our roads and get money back on them and say that we have them as an asset that is cashable at the bank, I would suggest that the artificial distinction between current account debt and capital account debt is just that. It is an artificial one. Both of them are money we owe; both of them are money we have to pay back.

The debt was not only \$160-odd million on current account but it was over \$200 million on capital account, for a total of just under \$400 million. With the Sprung Project giving us another \$2.5 million that the minister has not yet said where he is going to get it, whether he is getting it out of his budget that we are already passing, or whether it is going to be added onto the debt, and whether the \$11 million that we are losing out of this project when it collapses is going to add another \$11 million to our debt, I do not know, but that is probably the extra money that will go out of it.

The point I am trying to make, Mr. Chairman, is this: This government has to call an election before the next budget goes through, because you cannot do this kind of thing again. I would suggest to you that when Standard and Poor's, Moody's or any of the financial rating agencies visit the Minister of Finance we will end up with our rating probably lowered again and probably be told by the rating agencies that you cannot possibly do deficits like that, back to back.

If the case were made that you cannot do that, then obviously the next budget has to be extremely tight. That is why I say to the members opposite we can now count the months before you go off into your rightful oblivion as either the third party or as the official Opposition in this House because, if you pass another budget, you are in real trouble and you would never get re-elected again. So you are going to have to take your chances between now and the next time the budget goes through because there is just no way you can do that again.

I hate to say it, but it is really primarily the irresponsibility of what is going on over there that led us to this impasse as well. I find it difficult, because, as the members over there are saying, as social democrats, as members of the New Democratic Party, we prefer to see strong, healthy, social programmes and they cost money and we admit they cost money. To be put in the kind of financial box that the Minister of Finance has put us in, it would make it extremely difficult when we assume our position as the government after the next election to do that much, because we would have such an immense financial burden to have to lift ourselves out from underneath.

Mr. Chairman, all I can say is the fact that we have to borrow \$350 million is a terrible indictment of this government and the irresponsible way they have managed the affairs of this Province. I shudder to think how we are going to be able to survive when we form the government after the next election. Because with a financial bind the likes of which this government has put us into, it will take at least a decade of good NDP government to put us back on an even keel, paying our own way, and offering good services.

DR. COLLINS:

Mr. Chairman.

MR. CHAIRMAN:

The hon. the Minister of Finance.

MR. TULK:

Make it short, now.

DR. COLLINS:

Mr. Chairman, I will be very short. I thought we had heard all the garbage tonight, but we have not. Now NDP is complaining about

deficits, when everything we hear from them is pay more, more money for this, more money for that. Wait until we get in government and we will be the financial saviours, the member for Menihek said. Every NDP government and Socialist government that ever got in anywhere in the world broke the treasury of the country. It is such a joke and a piece of garbage, I will not go on any more with that, I will just respond to the hon. the member for Bonavista North.

The member for Bonavista North was concerned about the growth rate in our debt, and I concur with his concern. I am concerned about it, too. We have a very heavy debt in this Province. However, I have some good news for him. I have some figures here which show comparative figures with other provinces. The latest figures I have are for 1985, because we do not have the 1986 figures from the other provinces. If you look at the period from 1981 to 1985, the growth rate in our public sector debt was 7.2 per cent. Only one other province, and that was the Province of New Brunswick, was any better, and that was only 7.1 per cent. We were 7.2 per cent growth rate and New Brunswick was 7.1.

For instance, British Columbia was 13.9, Nova Scotia was 12.2, Alberta was 17.8, Saskatchewan was 23.2. So what does all this mean, Mr. Chairman? It means that we are managing our affairs. We are starting off at a high level of debt but we are increasing that debt at quite a modest rate, whereas other all provinces, with the possible exception of New Brunswick, are increasing their debt at a much greater rate.

And this comes back to the other

question that the member for Bonavista North was concerned about, what do the credit rating agencies think about us? They did visit us and they said they were very pleased with the way we manage our affairs in a very difficult situation and, to this point in time, they have not changed our credit rating. But I am sure they are keeping a watch on us, and if we do not do what we said we would do in the budget, i.e., review our expenditure programmes very closely to get as much saving as we can, put freezes on capital expenditure where we can do it, these various things, if we do not do that when we said we would do it, I think they will come down on us hard, despite the fact they are pleased with our financial management, because they will think things are slipping away from us. But if we can do the things we said we would do in the budget and continue with the careful management that the figures show we have been doing, I think we have every good chance of maintaining our credit rating and hopefully, given a little break in the economy now that the recession is finally over and so on, we will even get an improvement in our credit rating. I move the resolution.

On motion, resolution carried.

Motion, that the Committee report having passed a resolution and a bill consequent thereto, carried.

MR. SIMMS:

Motion 6. Bill No. 30.

### Resolution

That it is expedient to bring in a measure further to amend The Local

Authority Guarantee Act, 1957, to provide for the guarantee of the repayment of loans made to, and the advance of loans to certain Local Authorities.

DR. COLLINS:  
Mr. Chairman.

MR. OTTENHEIMER:  
You are earning your salary tonight.

DR. COLLINS:  
I will tell you. And I am not getting overtime pay for it, either.

Mr. Chairman, the resolution here relates to the local authority guarantee act. I am sure all hon. members of Committee are familiar with this act, because this relates to the funding of municipal capital works, water and sewer, road paving, and so on and so forth. I do not think I need to go into it in any great detail.

There is a Schedule, and that is what this bill is all about really, to adjust the Schedule. There is a Schedule showing the new guarantees that the government entered into in regard to municipal borrowings for those capital works that I mentioned. This act will bring that Schedule up to date. I guess that is all I need to say about this.

I might add that not all municipalities discharge their debt obligations in regard to the loans they contract that are guaranteed by government, and those that cannot meet their debt obligations, they receive subsidies from the Department of Municipal Affairs. As a matter of fact, the department pays about 75 per cent to 80 per cent of all debt charges for water and sewer

projects, for instance.

With those words, I move the resolution.

MR. LUSH:  
Mr. Chairman.

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

MR. LUSH:  
Mr. Chairman, we realize that we have to borrow monies for municipalities to provide the services so badly needed by several municipalities throughout this Province so badly in need of public services, and I refer to the services of water and sewer and road construction, in particular. These are certainly two basic services for which municipalities are responsible in this Province today.

Mr. Speaker, the sad part though about this entire situation is the unfair and the unjust way in which these monies are allocated. There is nothing fair or just about the way these monies have been allocated to municipalities over the past number of years. It appears to get worse.

Last year the government, in their wisdom, to correct the situation, to ensure that monies were spent fairly and justly, so we thought, they set up this Capital Works Projects Board. The Federation of Mayors and Municipalities were upset with how this money was spent, and it was in response to them and the Opposition that monies were not spent fairly, that municipalities did not get treated in a fair and just way that they set up that Board.

Mr. Chairman, lo and behold! Did

it turn out to be better? Did it turn out to be better I ask hon. members? No, Mr. Chairman, it turned out to be worse.

MR. BAKER:

It was like putting the fox in with the chicken.

MR. LUSH:

It was like putting the fox in with the chicken, the hon. the member for Gander (Mr. Baker) just said. Mr. Chairman, that is where the injustice comes in.

Here we have today this bill before us guaranteeing hundreds of thousands of dollars to be borne by the total population of this Province, to be borne by all of the people in this Province, but who is getting the money? Here we have a debt that is being borne by all the people of this Province, Mr. Chairman, guaranteed by the government of this Province, with the people's dollars, and what do they do with them? They go out, Mr. Chairman, in a deliberate manner distribute them to Tory districts. That is what happened, Mr. Chairman.

SOME HON. MEMBERS:

Hear, hear!

MR. LUSH:

The people of this Province will not tolerate that.

Mr. Chairman, what an insult to the intelligence of the people. What an insult to think they are going to sit idly by and watch this Province going into the hole, watch this Province being mismanaged and they receiving no benefits while this government is running us in the hole. We would like to get benefits. But when we see what is happening, being run in the hole, that is all the more

reason why they want to get some benefits, because they do not know how much longer we are going to be around as an entity. So, Mr. Chairman, they want to get some benefits. It is time that hon. members wisened up. The people of this Province are not going to accept that kind of pork barrelling any longer. They are fed up to the teeth. They are fed up with how this government is spending their dollars, and borrowed dollars at that, Mr. Chairman.

Mr. Chairman, that is the sad part about this particular bill. It is a sad indictment on this government, that their idea of fairness, that their idea of justice is to flood money into Tory districts so that they can get re-elected again. Well, Mr. Chairman, I am afraid that the people of this Province had enough. They are fed up to the teeth. The people of this Province want to see their dollars spent prudently, wisely, fairly and justly, and it will not be long before it will be done, Mr. Chairman.

On motion, resolution carried.

Motion, that the Committee report having passed a resolution and a bill consequent thereto, carried.

MR. SIMMS:

Motion 7. Bill No. 29.

### Resolution

That it is expedient to bring in a measure further to amend The Loan and Guarantee Act, 1957, the Act No. 70 of 1957, to provide for the advance of loans to and the guarantee of the repayment of

bonds or debentures issued by or loans advanced to certain corporations.

DR. COLLINS:

Mr. Chairman.

MR. CHAIRMAN:

The hon. the Minister of Finance.

DR. COLLINS:

Mr. Chairman, we are here dealing with the Loan and Guarantee Act and the mechanism is that government is approached by various firms, individuals, whatever, with a proposal to go on the back of a note - I guess you can put it that way - for some borrowing they have to do for their business purposes. We assess the requests - we get a good number of them - some we reject, and so on, and worthy ones which we think will preserve a company, help it to grow, help it to give employment, or where there is tremendous social impact, say, a fish plant in an isolated community would go down, we accommodate them, and the way we do it is we give them a guarantee and they can take that to the bank and get their money.

Then we have to take those guarantees and have them ratified by this House, and that is what this act does. There is a schedule attached to this which enumerates, lists the various guarantees which have been put in place since the last Loan and Guarantee Act was passed, and if this resolution and the bill subsequent to it is accepted, that is tantamount to ratifying the actions that government has already undertaken to give guarantees for these worthy purposes.

Mr. Chairman, there are

explanatory notes in the bill about each one of the guarantees given. With those words I move the resolution.

MR. LUSH:

Mr. Chairman.

MR. CHAIRMAN:

The hon. the member for Bonavista North.

MR. LUSH:

Mr. Chairman, there are some question we would like to raise in this particular area. I would particularly like to ask the minister what kind of businesses qualify for these government guaranteed loans. Mr. Chairman, it is not as if we have no reason to mistrust this government in terms of their managing the fiscal affairs of this Province, because, quite frankly, I would not trust this government with a Robin Hood Flour coupon.

When I talk about the patronage, the political pork-barrelling, look at the previous bill in Municipal Affairs. When I look at this here, I wonder to what extent this is done in a fair and just way. Mr. Chairman, maybe the minister can address that question.

What kinds of businesses qualify for these guaranteed loans? I know in the past that I have had businesses come to me to approach the government to try and get guaranteed loans. First of all, I used to think that they were not looking for enough, that maybe they should be looking for \$1 million or they should be looking for a couple of hundred thousand dollars. They would be looking for \$50,000 or \$60,000. I thought the government did not guarantee these kinds of small loans but I

notice two here. I do not know whether they are the exception. I notice one here for \$70,000, number 10, Heritage Woodworks Limited. If I understand this correctly, it looks like this obligation is gone now - and the minister can correct me - but it looked like the guarantee was in effect from August 12, 1986 - well, no, not quite - August 12, 1986 to June 30, 1987 so there is another couple of weeks left on.

I mention that, Mr. Chairman, because I did not believe that the government got into these small loans of this type. So Heritage Woodworks Limited and then there is another one there, number 20, Shirlwood Seafoods Limited, \$40,000. Again, it looks like that obligation would be gone, if I interpret this correctly, but that is not the point. I did not think that we got into that small of a guaranteed loan because I know that I have gone to the government, have gone everywhere sometimes for people looking for that kind of money and all they wanted was a guaranteed loan. They wanted no grant, they wanted a loan.

Mr. Chairman, I wonder if the minister would address that. Just what kinds of businesses, what kinds of business activity must companies be engaged in to qualify for guaranteed loans? What is the criteria and what is the limit? What is the minimum amount of money that they can come to the government looking for guaranteed loans?

Mr. Chairman, also there seems to be a lot of repetitive guaranteed loans and I refer to Baie Verte Mines. It looks like here there are five loans advanced and maybe the minister can indicate whether

now to get the liability of the government, whether we add all of those, whether all of these loans are now added to get the total amount or whether some of them because I look at the dates here and I see some of them are past due. For example, a loan that became due on December 31, 1986, is that now being extended? All of these here are now being extended?

DR. COLLINS:  
Not necessarily.

MR. LUSH:  
The minister says not necessarily.

MR. SIMMS:  
All of those named in the bill?

MR. LUSH:  
Those that are named in the bill, yes, all of these. Are they being extended now, are these guaranteed loans being extended? If so, then all we have to do is add them up and we know what the amounts are.

Maybe the minister can address the financial status of some of these companies that have been getting repeated guaranteed loans like Baie Verte Mines. How is that making out? Does it seem to be coming into its own. Then there is also Easteel Industries. Who are those companies, Mr. Chairman? It looks like the government is on the hook for Easteel Industries for \$17 million.

Maybe the minister could also comment on Marystown Shipyard. We have two guaranteed loans there. One at \$13.5 million and another at \$20 million, making a total of \$33.5 million. Would the minister like to comment on the financial health of the Marystown Shipyard.

Another one that is repeated there



is Notre Dame Bay Fisheries Limited. The government are on the hook to Notre Dame Bay Fisheries Limited for \$4 million.

MR. MORGAN:

Four million dollars!

MR. LUSH:

Four million dollars, yes. I am just looking at the figures. There is \$1 million, March 26, 1986 to April 30, 1986, and there is \$2 million -

AN HON. MEMBER:

It is gone.

MR. LUSH:

It is gone, is it? This is what I asked the minister and he did not seem to indicate whether that was correct or not. I will just take the example again. Number 17, Notre Dame Bay Fisheries Limited, \$1 million. I take that to be the guaranteed loan extended from March 26, 1986 to April 30, 1986, just a month. So they are all being extended. So obviously it is \$4 million that the government is guaranteeing to the Notre Dame Bay Fisheries Limited. It seems like a lot of money, Mr. Speaker, for one business, Notre Dame Bay Fisheries Limited.

Mr. Chairman, these are some questions that we would like for the minister to address. There seems to be no consistent pattern in how these are listed. For example, for some of them you are told where they are and in which communities they are located. That is a bit of help to members to know which communities some of these companies are located in. It would be nice if we knew who the companies were, who the shareholders were.

Mr. Chairman, I refer, for

example, to Steelfab Limited, just to give an example. It tells what monies were approved, a \$200,000 loan guarantee on behalf of Steelfab Limited to support an operating line of credit for steel fabrication contracts, but that is all. Nobody knows where it is, whether it is in the city or not.

AN HON. MEMBER:

It is.

MR. LUSH:

Some members happen to know but I am sure everybody does not know.

Superior Seafoods, for example, again, it lists the money granted it but no address or which community they are in. I doubt than many members know where Superior Seafoods is located. I do not know. I never heard of them.

MR. MORGAN:

(Inaudible) your colleague's district.

MR. LUSH:

I see. Well, there are some that I know and there are some that the hon. member knows, but I would expect none that we all know where they are. So, Mr. Chairman, that is the point I am making. It seems to be consistent, if we listed where all of these were. Some we are given, some we are not.

Mr. Chairman, with these few questions I would take my place and let the minister address these questions that I have asked, particularly about the financial state of some of these businesses that seem to get repeat guarantee loans. Comment on their financial status and how they seem to be making out, whether they are doing well and whether this money is going to be well invested, Mr.

Chairman.

DR. COLLINS:  
Mr. Chairman.

MR. CHAIRMAN (Mitchell):  
The hon. the Minister of Finance.

DR. COLLINS:  
Mr. Chairman, just a few remarks. There are a lot of loan guarantees out. I think there are something over 130 or whatever. I do not have right on top of my head who owns each one or where they are situated, and all that type of thing.

Just briefly, if a company comes to us requesting a loan guarantee, we assess it on the basis of management, the viability of the company, the business plan they give us, and the security we can put in place. On that basis, we reject some because they do not meet those guidelines. If they meet the guidelines and it seems to be for a worthy purpose, we give them a loan guarantee.

The loan guarantee is for a certain period of time. At the end of that time, either they have become viable and they do not need any further guarantees from us, they can get their bank loans without a government guarantee or they are not viable, or they will in the future be viable and they want an extension of the thing. We will assess the thing again and give them an extension, if that is so. Or it could be that the loan guarantee could be reduced. Perhaps they needed a certain amount of bank line one year and the next year they do not need quite as big a bank line because they made some profits and so on.

So there are quite a range of changes in regard to particular

companies. Many companies after a period of time overcome a particularly bad patch they have gone through. There were many fish companies a number of years ago when prices and stocks were low in severe difficulties and, if we had not carried them over that period of time, many of them would have become bankrupt. The facilities would be lost. There would be fishermen with no where to sell whatever fish they could catch. There would be plant workers out of work and so on and so forth. Then, as the prices went up and as the stocks improved, they then could make a go on their own and therefore they did not need the guarantee any longer. In a general way, that is how it works. In terms of details, I cannot give the details on all 135 guarantees we have outstanding for various companies.

The hon. member was particularly concerned about our indebtedness at Baie Verte. We made a payment to them subsequent to the arbitration award of \$6.4 million. We have guarantees to the Bank of Nova Scotia for operating purposes of \$15.9 million, and we have an investment in the company. We put an equity injection there, for which we have preferred shares, to the total of \$12 million. Of course, without that, the mine would have closed down. There would have been about 370 or 380 miners and processors out of work. They used government help particularly to open up new seams in Baie Verte, and they are putting their act together, including their marketing act, and we hope that the future looks bright. I think that was a worthy exercise.

With those words, I move the resolution.

MR. CHAIRMAN:  
Shall the resolution carry?

Order, please!

MR. BAKER:  
Mr. Chairman.

MR. CHAIRMAN:  
The hon. member for Gander.

MR. BAKER:  
Thank you, Mr. Chairman. I have a couple of brief comments and a couple of questions to the Minister of Finance.

I would like to point out that some of these loan guarantees he talks about have been very short term things. The loan guarantees were issued and then, after a very short period of time, they were to become due. I would like to note some of the dates here. For instance, June 6, 1986 there was one given and it was due in March. There was one May 30, 1986 and so on. There is one issued July 4, 1986 and due in September.

Most of these were loan guarantees that were given out sometime during last Summer, after the House closed last year. Some of them were given out while the House was in session last year. With regards to these, it would seem to me that technically the loan guarantees should have been okayed by the House before the House closed, while the House was still in session. I would like to point out to the Minister of Finance that this indicates to me the need for -

MR. EFFORD:  
He is not listening. That is ridiculous. There is the Minister of Finance. Just look at him.

MR. BAKER:

This indicates to me the need for a Fall session.

These loan guarantees have been given out for some time, some of them have become due for some time and yet the Legislature has never, ever voted on them. One of the guaranteed loans seems to be open-ended. I would like for the minister to explain that as well, if he knows what is going on right now. I am talking about the \$20 million for the Marystown Shipyard Limited which was March 5, 1987. That seems to be an open-ended one. There is no due date. I wonder if the minister could explain the fact that there is no due date. It seems to be the only one there without a due date, while there are a couple of others, numbers 26 and 27, are simply amounts with no date. I assume they are to be given after approval, therefore there could be no due date. So I would like the Minister of Finance to straighten these problems out for me.

DR. COLLINS:  
Mr. Chairman.

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

DR. COLLINS:  
Mr. Chairman, as I explained originally, the purpose of this act is to ratify the guarantees that the government has entered into. How long the guarantee is for, if it is for three months or a year or two years, whatever, is immaterial. It is the ratification of the guarantee that matters. We do not need a Fall session to say now the guarantee is over with. If in the Fall a guarantee was given and it expires by the Fall, we will decide whether to extend it or not in the Fall and then we will come back

into the House next February, whenever the House opens and have that action ratified. That is how the thing works. We do not need to await the sanction of the House to go into a guarantee. Government, under this act, has the authority to enter into guarantees, provided it comes back later and has them ratified in the House.

MR. BAKER:  
Mr. Chairman.

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

MR. BAKER:  
There was some where the due date was several months ago and there is no indication that there has been any decision to extend them and so on. Is that decision being made here now or did the due date come and nothing was done and now, at some time in the future, they will be formerly extended. I am assuming these are done through an Order-in-Council, is that correct?

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

DR. COLLINS:  
Yes, some of those perhaps did not need to be extended. Perhaps that was all they required. The due date came and the bank did not require a government guarantee, so our place in the whole action ceased, but if they did need an extended guarantee, we will report that to the House the next time we bring in a further update of this schedule.

The hon. member wanted to know about Marystown. That was essentially to put in place financing for middle distance vessels. We have a number of middle distant vessels in place

now. We have contracted with Marystown to build at least two more, but there may be other ones in prospect, and so we have given them some interim funding to allow them to build these middle distance vessels.

So I move the resolution.

MR. W. CARTER:  
Mr. Chairman, may I ask a question?

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

MR. W. CARTER:  
It concerns Items 26 and 27, Newco I Corporation & Newco II Corporation and it is a \$5 million guarantee to RoyLease Limited for the construction of two mid-distance fishing vessels. In the item here, Mr. Chairman, it mentions that the majority shareholder in these two new companies, Newco I and Newco II, will be the Province. I wonder can the minister tell the House who are the other shareholders in those two companies?

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

DR. COLLINS:  
Mr. Chairman, these companies were merely set up so that we could enter into leases. These are companies set up by Marystown Shipyard. The government is a majority shareholder in Marystown Shipyard so that is why we are the majority shareholder there. Once these vessels are completed and the leasing arrangements are no longer required and so on, these companies will not persist. They are just a mechanism to allow the leasing arrangement to be put in place for the financing of these two vessels.

MR. W. CARTER:  
Mr. Chairman.

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

MR. W. CARTER:  
It says in the note here that these two longliners, which will cost, at least the guarantee covers \$5 million, will be leased to these two new companies, Newco I and Newco II for a period of sixteen years. If these are only paper companies being set up, as the minister suggests, to facilitate the construction of the two boats, then how come there is a sixteen year lease entered into with these two new companies for the two vessels in question?

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

DR. COLLINS:  
Mr. Chairman, the leasing arrangement is a mechanism whereby there can be cheaper financing acquired by Marystown Shipyard.

So the lease extends over a period of time. RoyLease will essentially own the vessels during that period of time, fifteen or sixteen years, whatever is it, and at the end of the time, they will discharge their ownership for a relatively small amount. In the meantime, they really are just facilitating companies for this arrangement, but the companies will stay in place. They have no other meaning other than just facilitating this lease arrangement which is a means of getting cheaper financing than would ordinarily be obtainable, say, through bank financing.

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

Buchans.

MR. FLIGHT:  
Mr. Chairman, I would like to draw the minister's attention to items 7, 8 and 9, Easteel Industries. On May 30 there was a guarantee given to Easteel that would have expired on September 17. That guarantee was for \$400,000. The guarantee appears to have been put in place on May 30, 1986 and appears to have expired on September 17, 1986. Yet, to Easteel Industries on September 17, 1986, the government appears to have given another guarantee for \$1.5 million. It looks like the original \$400,000 was rolled in and an extra \$1.1 million guaranteed. I would like the minister to explain that, and while he is explaining that, I would like to know what that \$1.5 million was for. If we guarantee it, we must know what it was for.

Interestingly, on September 8, prior to rolling over the first \$400,000 and making it \$1.5 million, a week earlier, they guaranteed another \$225,000 to Easteel. Would the minister tell us why the first \$400,000, which guarantee expired on September 17, was rolled into a new guarantee and \$1.1 million added on September 17 to expire in August of this year, and then a week earlier, another \$225,000 was guaranteed, again to expire on August 31, 1987?

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

DR. COLLINS:  
Mr. Chairman, it may seem a little confusing there, but the point is that this company takes on certain projects. They will bid on a contract, say \$1 million steel building or steel for a building.

They themselves cannot raise the operating funds that they need up-front to carry out that project. So we give them a guarantee and the arrangement is that as they get their money in, they will discharge their guarantees. So they will gradually work down their indebtedness to the bank, and as their indebtedness to the bank is worked down, our guarantee comes off. Then the next week they have another project and they come to us again and say, 'Again, we need some up-front funding to be able to carry on this project,' and we go into the same arrangement again.

The total amount of our guarantee outstanding to that company will fluctuate depending on how much work they have to do. There are a large number of employees out there. We also wish to keep these expertise in the Province. If they could not enter into these projects with government help, that expertise would disappear from the Province. It is really to help them out with project financing. If they enter into two projects in a year, there will be that number of guarantees; if they enter into four projects a year, there will be that number of guarantees; if it is a project that is \$1 million, it will be that amount of a guarantee; if it is a project that is \$500,000, it will be that amount of guarantee. It fluctuates with the projects in size and in number.

MR. HISCOCK:  
Mr. Chairman.

MR. CHAIRMAN:  
The hon. the member for Eagle River.

MR. HISCOCK:  
Mr. Chairman, number 12 and 13,

Labrador Fishermen's Union Shrimp Company Limited on July 4 were guaranteed \$150,000 to be paid back by September 9, 1986. Was that paid back? No. 13 is \$300,000 from September 9, 1986 to October 31, 1987. Was the \$150,000 rolled into the \$300,000? And if it was, what was the \$300,000 used for? If the hon. minister does not have that information at hand, he can tell me later.

DR. COLLINS:

The company is a shrimp company, so it was used for that purpose. But they did not pay anything back to us. We had a guarantee out. Their loan was with the bank and when the period was up they still needed funding for working capital so we extended that loan guarantee. As a matter of fact, we added to it. But it was for them to continue with their shrimp operation, and, I believe, they are also getting into other forms of fishery there.

MR. HISCOCK:

They do not process shrimp.

DR. COLLINS:

No, not process.

AN HON. MEMBER:

They buy.

MR. HISCOCK:

They do not even buy.

On motion, resolution carried.

Motion, that the Committee report having passed a resolution and a bill consequent thereto, carried.

MR. SIMMS:

Motion 8. Bill No. 33.

DR. COLLINS:

Mr. Chairman.

MR. CHAIRMAN:

The hon. the Minister of Finance.

DR. COLLINS:

As hon. members know, during a year we sometimes have to go for special warrants. In other words, you cannot anticipate in a budget brought down in April every dollar government will need for worthy projects of one form or another throughout the year, so we do have to bring in special warrants. These are tabled in the House, so all the information has been made public already, but then we have to roll all those warrants ultimately into a bill which is called the Supplementary Supply Bill, and that is what this is doing here. This is a compilation of all the special warrants that were entered into and tabled in the House during last fiscal year, adding up to a total of just under \$45 million, \$41 million of which was on current account and approximately \$4 million on capital account.

There were various departments which required this extra funding that was unanticipated at the time the budget was entered into, but they have all been tabled throughout the year. I move the resolution.

MR. LUSH:

Mr. Chairman.

MR. CHAIRMAN:

The hon. the member for Bonavista North.

MR. LUSH:

Mr. Chairman, it is gratifying to hear the Minister of Finance made another acknowledgement. In explaining the bill he said, 'There are times when you cannot always tell the money the Province is going to need.' Now, if there

is one person who cannot always tell, we know it is this present Minister of Finance.

SOME HON. MEMBERS:

Hear, hear!

MR. LUSH:

WE know that, Mr. Chairman. We know that he has demonstrated his mathematical wizardry on several occasions and he has been out several million dollars practically almost every year on his budgets. But it was nice to hear the gentleman admit that. We hope for the sake of this Province, at least, that he has predicted reasonably well this year, because we would not want to see the deficit swell.

MR. TULK:

We hope he has enough.

MR. LUSH:

That is right. We hope he has enough, and we certainly hope that we do not see the deficit swell and explode in the way we have seen it in years past.

Mr. Chairman, there are one or two areas here which should be questioned. One wonders what happened in Social Services where they want \$17 million. That seems to be a lot of money for supplementary supply. So we wondered why it is that that figure could not be predicted with some more accuracy, \$17 million is not peanuts. I would venture to say that it was not spent in Bonavista North, Mr. Chairman. As a matter of fact, when I look down through the figures there, I wonder just how much was spent in the district of Bonavista North.

Mr. Chairman, when I get up to approve some of these expenditures, I wonder what my

constituents would say if they knew that I gave approval to some of these expenditures, if I gave my vote knowing, Mr. Chairman, the few paltry dollars that they got out of a budget of over \$2 billion. I want to address again, Mr. Chairman, the concept of fairness and justice.

I hear members over there making certain utterances. Let me tell you, Mr. Chairman, I am not too much worried about what is going to happen in Bonavista North. I can tell you the longer this government stays practicing their political trickery, that ensures me more votes every day.

Mr. Chairman, now they have a great innovation on the go, not one that is going to make much of a political impact on Newfoundland in terms of developing the Province financially and economically, but they have a great plan on the go now, Mr. Chairman. It demonstrates how desperate they are to cling onto power. Mr. Chairman, this never, ever happened in anywhere in the Western World, this activity that I am now about to mention. It never went on anywhere in the Western World, Mr. Chairman, or in the free world. Mr. Chairman, in desperation and in trying to spread their propaganda around the Province, do you know what they have done now? They have their backbenchers now going around making announcements about the few paltry projects that are in Opposition member districts.

The member for Terra Nova (Mr. Greening) got the front page in The Gander Beacon this week announcing a few paltry projects in the district of Bonavista North, Mr. Chairman.

SOME HON. MEMBERS:

Hear, hear!

MR. LUSH:

Projects that he knew nothing about, in communities that he did not even know where they were, Mr. Chairman, he has never been in them. Well, you talk about political trickery! Do they think the people of Bonavista North are that dumb or stupid? Does he think the people of Bonavista North are that dumb, they are that stupid that they believe that the member for Terra Nova district got these projects, that he worked, that he interceded to get those projects? My friends the level of political activity! The lowest form of political life. That is the contribution these gentlemen believe that they should be making through the political process in this Province, going around announcing.

I think what I shall do now, Mr. Chairman, because I have the same avenue, I have the same access to that information calling a phone number, 'Is there a project for Terra Nova?' Imagine how inane, how silly, how stupid, Mr. Chairman, calling up the various departments, getting the project and writing out a little press release saying, 'Glad today to announce a project.' Listen to what was announced.

MR. MORGAN:

Are you against the project?

MR. LUSH:

Against the project! That is not the point. Mr. Chairman, imagine getting on the radio, taking the time to announce that .58 kilometers will be upgraded in Cape Freels. I would be too ashamed to announce it, Mr. Chairman. That is the level of



political participation that these gentlemen believe this Province requires. What nonsense, Mr. Chairman. What nonsense, getting on and announcing silly projects. That is why this Province is no better off, that is why we are in the financial mess we are in, and that is why we should not approve any of these monies that this government is asking for.

SOME HON. MEMBERS:  
Hear, hear!

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

DR. COLLINS:  
Mr. Chairman, the hon. member wanted to know where that \$17 million for Social Services was spent. I am surprised he does not know. I thought he was the Finance critic for the other side. All the stuff was tabled in detail. All the details were put on the Table of the House. I would have thought the first thing the Finance critic would do would be, the minute a warrant was tabled, rush over and get all the details and make notes and all that sort of thing.

MR. SIMMS:  
In all fairness, he was probably absent.

DR. COLLINS:  
Apparently, he did not even know it had been tabled. Anyway, that \$17 million was social assistance, it was for an employment enhancement programme, it was for child welfare, juvenile corrections, mentally handicapped, and there was a relatively small amount for certain wage costs in the Department of Social Services.

Now, on the last point: The hon. member is known in his district as

the phantom. No one knows he is around there. They do not know what is going on in his district, so the member for Terra Nova (Mr. Greening), knowing that the people are hungry for information about road paving in the district and so on, has to go out and do this job for the phantom, or the invisible man for Bonavista North.

MR. SIMMS:  
They love him out there.

DR. COLLINS:  
I move the resolution.

On motion, resolution carried.

Motion, that the Committee report having passed the resolution and a bill consequent thereto, carried.

MR. SIMMS:  
Motion 9. Bill No. 35.

DR. COLLINS:  
Mr. Chairman.

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

DR. COLLINS:  
Mr. Chairman, this is a matter that arose out of the budget in 1986 but the bill was not prepared to allow it to be done last session and that is why it is being done this session.

The Insurance Premium Tax Act was brought in in 1968. Since that time, essentially the rate on insurance premiums has been the same as the retail sales tax rate, so rather than continuing the two things, this bill is now abandoning the insurance Premium Tax Act and it is applying the Retail Sales Tax Act - the same rate - to insurance premiums.

There are a couple of reasons for

it: First of all, it is now going to be more visible that there is a tax put on insurance policies; it will be as visible as retail sales tax on any consumer goods. Secondly, by this means it will come in under a reciprocal taxation agreement with the federal government so that the federal government will not be liable for giving us some revenue, whereas the insurance premium tax rate was not in the reciprocal agreements. So we will get a little bit of extra revenue from the federal government. And, thirdly, there is some administrative and enforcement ease obtained by doing this, by putting it on the one computer and so on and so forth. So it is a sensible thing to do, to substitute The Insurance Premium Tax Act for The Retail Sales Tax Act - have the retail sales tax apply to insurance premiums. I move the resolution.

On motion, resolution carried.

Motion, that the Committee report having passed the resolution and a bill consequent thereto, carried.

On motion, that the Committee rise, report progress and ask leave to sit again, carried.

MR. SPEAKER:  
Order, please!

The hon. the member for LaPoile.

MR. MITCHELL:  
Mr. Speaker, the Committee of the Whole have considered the matters to them referred and have directed me to report that they have adopted certain resolutions and recommend that bills Nos. 20, 21, 22, 31, 30, 29, 33 and 35 be introduced to give effect to the same.

On motion, report received and adopted resolutions ordered read a first and second time now, by leave, bills ordered read a first, second and third time now, by leave.

#### Resolution

That it is expedient to bring in a measure to amend The Income Tax Act.

On motion, resolution read a first and second time.

On motion, A bill, "An Act To Amend The Income Tax Act", read a first, second and third time, ordered passed and its title be as on the Order Paper. (Bill No. 20).

#### Resolution

That it is expedient to bring in a measure to amend The Insurance Companies Tax Act.

On motion, resolution read a first and second time.

On motion, A bill, "An Act To Amend The Insurance Companies Tax Act", read a first, second and third time, ordered passed and its title be as on the Order Paper. (Bill No. 21).

#### Resolution

That it is expedient to bring in a measure to amend The Financial Corporations Capital Tax Act.

On motion, resolution read a first and second time.

On motion, a bill, "An Act To Amend The Financial Corporation Capital Tax Act", read a first, second and third time, ordered passed and its title be as on the Order Paper. (Bill No. 22).

#### Resolution

That it is expedient to bring in a measure to authorize the raising from time to time by way of loan on the credit of the province the sum of three hundred and fifty million dollars (\$350,000,000) and such additional sum or sums of money as may be required to retire, repay, renew or refund securities issued under any Act of the province.

On motion, resolution read a first and second time.

On motion, A bill, "An Act To Authorize The Raising Of Money By Way Of Loan By The Province", read a first, second and third time, ordered passed and its title be as on the Order Paper. (Bill No. 31).

#### Resolution

That it is expedient to bring in a measure further to amend The Local Authority Guarantee Act, 1957, to provide for the guarantee of the repayment of loans made to, and the advance of loans to certain Local Authorities.

On motion, resolution read a first and second time.

On motion, A bill, "An Act To Amend The Local Authority Guarantee Act, 1957", read a first, second and third time, ordered passed and its title be as

on the Order Paper. (Bill No. 30).

#### Resolution

That it is expedient to bring in a measure further to amend The Loan and Guarantee Act, 1957, the Act No. 70 of 1957, to provide for the advance of loans to and the guarantee of the repayment of bonds or debentures issued by or loans advanced to certain corporations.

On motion, resolution read a first and second time.

On motion, A bill, "An Act To Amend The Loan And Guarantee Act, 1957", read a first, second and third time, ordered passed and its title be as on the Order Paper. (Bill No. 29).

#### Resolution

That it is expedient to introduce a measure to provide for the granting to Her Majesty for defraying certain expenses of the Public Service for the financial year ending the 31st day of March, 1987, the sum of forty-four million nine hundred and sixty-four thousand two hundred dollars (\$44,964,200).

On motion, resolution read a first and second time.

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

Service", read a first, second and third time, ordered passed and its title be as on the Order Paper. (Bill No. 33).

Resolution

That it is expedient to bring in a measure respecting The Retail Sales Tax Act, 1978.

On motion, resolution read a first and second time.

On motion, a bill, "An Act To Amend The Retail Sales Tax Act, 1978", read a first, second and third time, ordered passed and its title be as on the Order Paper. (Bill No. 35).

MR. OTTENHEIMER:

Mr. Speaker, before putting the adjournment motion I think, on behalf of all hon. members, I should thank the staff of the House, of the Table, of Handsard and all who were involved in a fairly long day. I am sure I speak for all hon. members in expressing our appreciation to them.

HON. MEMBERS:

Hear, hear!

DR. COLLINS:

And our friends, the press.

MR. OTTENHEIMER:

As all hon. members know, we are always very appreciative of the press. Hon. members on this side have always been most laudatory as, indeed, have hon. members on the other side, as well. We realize it has been a long day for them, too, and, indeed, it is a good indication that they are here tonight.

I would now move that the House adjourn until 10:00 a.m. today, Friday, July 19.

MR. SIMMS:

No, no, June.

You almost got it through.

SOME HON. MEMBERS:

Hear, hear!

MR. OTTENHEIMER:

Everybody makes mistakes sometimes. It is the first one I have made in about ten or twelve years.

I move that this House now adjourn until 10:00 a.m. today, Friday, June 19.

SOME HON. MEMBERS:

Hear, hear!

On motion, the House at its rising adjourned until 10:00 a.m. today, Friday, June 19, 1987.