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Speaker: Honourable P.J. McNicholas

Tuesday

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The House met at 2:00 p.m.

MR. SPEAKER (McNicholas):
Order, please!

Statements by Ministers

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

SOME HON. MEMBERS:
Hear, hear!

MR. DINN:
Mr. Speaker, as hon. members are aware through the media, Cabinet has decided to accept the proposal from the Rambler Joint Venture for further exploration and development of the Rambler properties near Baie Verte. The proposal calls for expenditures of \$3.84 million in exploration over the next twelve months. If this first phase of exploration is successful, an additional \$5.4 million will be spent in the succeeding months.

The Rambler Joint Venture is a group of three companies; Teck Corporation, Petromet Resources and Newfoundland Exploration, a Newfoundland company owned by Resourcecan Ltd. of St. John's. The financing of the initial \$3.85 million exploration program will be provided by Newfoundland Exploration and Petromet Resources while Teck Corporation will finance and manage any subsequent mining development.

The decision of which proposal to accept was a difficult one for government since there were several excellent proposals from the seven proposals received by my department. However, the proposal from the Rambler Joint Venture was judged to be the best overall

proposal and most likely to result in new mining development on the Rambler properties, which have been inactive since 1982.

Mr. Speaker, you may recall that Cabinet acted in 1987 to have the out-of-production grants and leases in the Rambler area revert to the Crown. Subsequently, my department has done an evaluation of the resource potential on the properties, called for proposals and evaluated the seven proposals received.

Mr. Speaker, I am pleased to state today that the process of reactivation of the Rambler properties is now complete with the decision to accept the proposal of the Rambler Joint Venture. I am confident that the exploration program to be carried out by the Rambler Joint Venture is likely to result in the discovery of new ore reserves and in new mining and mineral processing development in this important mining region of our Province.

Mr. Speaker, I would have informed hon. members on Friday but, as hon. members know, when government approves of this through the Cabinet process it has to be signed by the Lieutenant-Governor and the order was not signed Friday morning, so I could not inform the hon. House.

Thank you, Mr. Speaker.

SOME HON. MEMBERS:
Hear, hear!

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

MR. WELLS:
Mr. Speaker, the House, of course,

has been informed through the media, and everybody in the Province has been informed through the media, of this particular development. It is a welcome development if it results in the reactivation of the Rambler mines, which at one time produced a lot of jobs. Hon. members will recall that that property was vacated and vacant for a long time before a former government took control of the ground and gave it to Rambler to operate. That is how the mine got started in the first place. Well, the existing Rambler mines have closed it down and hopefully there will be an opportunity to reactivate the mine.

I do have an area of concern, however, with the last part of the minister's statement. I am not sure that the minister really has grounds for saying this, and it might provoke speculation. He says he is 'confident that the exploration program to be carried out by the Rambler Joint Venture is likely to result in the discovery of new ore reserves and in new mining and mineral processing development.' Everybody hopes that that is what will happen, but I suggest that the minister is going too far, in terms of people who invest in these kinds of business ventures, for him to make that statement.

I also remind the minister that the last time he made such an announcement it was respecting the gypsum mine in St. George's and that did not function above six months, I believe, after the opening. But, in any event, Mr. Speaker, we hope that this thing works.

Oral Questions

MR. TULK:
Mr. Speaker.

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

MR. TULK:
Mr. Speaker, I have a question for the Premier, but in his absence I will ask the Deputy Premier (Dr. Collins).

The question concerns the splurge on ads that we have seen in print and on the electronic media over the weekend concerning the Newfoundland Railway.

My question to the Deputy Premier is this: How much is this advertising, or what I would choose to call propoganda efforts, costing the Newfoundland taxpayers? In other words, how much is the government spending in this propoganda effort to convince the Newfoundland people that the sell-out of the railway for political purposes was a good deal?

MR. DAWE:
How silly, coming from someone seeking information.

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

DR. COLLINS:
Mr. Speaker, that sounds to me a rather slanted question, but I will take it as a straight question.

The government has a responsibility, of course, to get the word out. Now, we try to do it through this House as much as we can, but strictly speaking we are in the hands of the media there. We act when we feel that there is not enough information going out, and especially when it is erroneous information going

out, as there has been from the other side, completely erroneous information. For instance, I heard the Leader of the Opposition on Sunday saying that the package for the workers was exactly the same as was in - or words to this effect - the collective bargaining. Now, that is not correct. There is an add-on to it, but there was no indication in the hon. Leader of the Opposition's remarks that there was an add-on. So we have to try to get this information out. It is absolutely necessary because otherwise the population is not informed as to reality and the facts, but is just dealing in slanted remarks, such as the hon. member's question.

MR. TULK:

A supplementary, Mr. Speaker.

MR. SPEAKER:

A supplementary, the hon. the member for Fogo.

MR. TULK:

It should be noted that the hon. gentleman did not answer the question. I say to him that what he tried to do in this House was avoid the issue, and it was only at the instigation of the Opposition that we had any discussion at all.

Let me ask the Deputy Premier: Would the Deputy Premier tell this House if the sell-out, what I choose to call a cheap bargain, for Canadian National in this case, was such a good deal, why did he have to enter into this propaganda blitz? He says it was a good deal. Why did he have to enter into this propaganda blitz while hospital beds in this Province are closing, while school children are doing without instructional materials, and while

people in this Province are forced to live in communities with sewer in the ditches? Would the hon. gentleman tell us why he felt it necessary to sell this program, in the way that he is trying to sell it, if indeed it is such a good deal as he claims and as the Premier claims?

MR. SPEAKER:

The hon. the Minister of Health.

DR. COLLINS:

Mr. Speaker, does the hon. member not like good news, or does he only deal in bad news and gloomy news and negative news?

The people of this Province want to know the facts, and we are giving them the facts. If the hon. member opposite just wants gloom and doom and to try to undermine confidence in our economy in this Province, well, that is his problem. I suppose that is why they never get elected. They have not been elected in about sixteen years, is it?

MR. SIMMS:

At least.

DR. COLLINS:

I suppose that is why they never get elected, because they are too gloomy and doomy.

We want to get the information, as it is, out to the people, and the people are happy to receive it and they make their plans on that basis, make their plans with confidence in the economy of this Province.

MR. SIMMONS:

How much? How much?

DR. COLLINS:

I do not know the cost but we will

get the figures.

MR. TULK:

A final supplementary, Mr. Speaker.

MR. SPEAKER:

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

MR. TULK:

Mr. Speaker, the hon. gentleman has still not answered the questions: What was the cost? If it was such a good program, why does he need an advertising campaign? I ask the hon. gentleman will he not now stand in his place and confess, if you want to, to this House that indeed the sellout of this railway was such a bad deal, and is being received in such a bad fashion by the Newfoundland people, that indeed government now feels it necessary to spend the taxpayers' money - the same people that they just gypped by selling the railway - to try and convince them, for a few votes, that indeed this was a good deal? Will he not now stand up and admit that is the case?

MR. SPEAKER:

The hon. the Minister of Health.

DR. COLLINS:

Mr. Speaker, we did not give away anything. We do not even own the railway, we have not owned the railway for I do not know how long, but certainly since 1949. To turn the question around: Why is the hon. member protesting so much that we want to give the people of this Province information about the railway alternative? The main point we are trying to get across is that our transportation system needed an alternative. The railway was an outmoded alternative, so for us to advance and not to be held up, because transportation is an

extremely important part of any economy, we needed an alternative type of transportation, and that is what we got.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

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

MR. GILBERT:

Mr. Speaker, my question was likewise for the Premier but he is not here so I guess in his absence I will ask the Minister of Intergovernmental Affairs (Mr. Dawe), who should be aware.

I have here a discussion paper on **Major Bilateral Issues** published in September, 1984. In it the Premier claimed that the highway situation in Newfoundland was the worst in Canada and required a special program of reconstruction and upgrading. Now in view of this, how can the minister justify signing a deal with the federal government to immediately close the Newfoundland Railway, which is going to increase the freight load, some of it consisting of dangerous and explosive materials, by at least 20 percent on this substandard highway? So how can he justify signing an agreement to immediately close the railway and put additional freight on this substandard highway?

MR. SPEAKER:

The hon. the Minister of Intergovernmental Affairs.

DR. COLLINS:

Mr. Speaker -

MR. SIMMS:

Wrong minister.

DR. COLLINS:

Oh, sorry!

MR. DAWE:

Mr. Speaker, people on this side are so anxious to get up and answer questions!

Obviously, Mr. Speaker, that kind of question again identifies what my colleague, the Minister of Health, just referred to as a kind of misinformation that members opposite are trying to put forward.

First of all, everybody knows that we have been arguing for quite a number of years for improved infrastructure in our transportation system. In addition to the money that will be spent over the next fifteen year period on highway construction as a result of a very good transportation initiative that we just participated in, in addition to that the Province on an annual basis will be putting in in excess of \$40 million, and I am sure that that may indeed increase, but if it remained at \$40 million annually, the total amount of money to be spent on the highway system over that period of time will amount to just about \$1.5 billion, which far exceeds, Mr. Speaker, the amount of funding identified as necessary by TRIP Canada and other independent agencies that had an opportunity to look at the highway system, the surface infrastructure in the Province.

As it relates to the railway, Mr. Speaker, and the so-called added pressure its closure places on the highway system, the fact of the matter is, as in other parts of the country, the rail system has been carrying less and less traffic. The hon. member should go to an independent agency, like the Atlantic Canada Transportation

Commission, a body funded partially by the Maritime Provinces and Newfoundland, which looks at transportation and the best way to move goods, which does programs of assistance to the business sector in trying to move goods and so on, and get its interpretation and analysis of this particular initiative. My colleague, the Minister of Transportation (Mr. Doyle), said to me the other day, and again this is subject to verification, that in excess of 4400 miles of track are removed in the US on a yearly basis. Mr. Speaker, worldwide the removal of the railway system is identified as one of the megatrends, particularly in transportation. Railways are taking less and less commercial traffic. In Newfoundland we are down to 19 per cent.

The hon. member asked about the distribution of that traffic on the highway. The amount of freight now being carried on the railway is such that if you went the whole length of the TCH it would increase traffic the equivalent of fourteen tractor-trailers a day. Mr. Speaker, that was a valid question.

Mr. Speaker, the hon. member asked three questions, one dealing with the necessity to improve transportation, one dealing with added traffic on the highway as a result of this initiative - I answered those two and the third one relates to the transportation of dangerous goods.

Mr. Speaker, The amount of dangerous goods travelling on the highway because of the railway closure will be very minimal indeed. A lot of money has been spent with ERCO, for instance,

which moves certain dangerous commodities, to convert their operation to a different system that makes it safer not only to operate on the roads but also as it relates to the shipping of various goods. The other items have always travelled on our roads, Mr. Speaker, and the improved highways, the widening of the highways, the four-laning in important areas where traffic warrants it, all those things, Mr. Speaker, together combine to make a more efficient and a much safer transportation network for the Province. Needless to say, Mr. Speaker, I, like other members on this side, am very pleased that we have taken this particular initiative.

SOME HON. MEMBERS:
Hear, hear!

MR. GILBERT:
A supplementary, Mr. Speaker.

MR. SPEAKER:
A supplementary, the hon. the member for Burgeo - Bay d'Espoir.

MR. GILBERT:
The minister did not do much to address putting extra traffic on a substandard highway.

In that same report the Premier stated that 'all forms of transportation should be addressed, air, water, road and rail, while priorities for spending should be defined. A trade-off approach would not be in the best interest of the Province.' Now, would the minister not agree that signing a deal to close the railway fifteen years before the highway is completed is a trade-off? Is that not the type of trade-off that the Premier said he would not be a party to in 1984?

SOME HON. MEMBERS:
Hear, hear!

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

MR. DAWE:
Mr. Speaker, if I might have an opportunity to answer the question, 'trade-off' is a word that has been used from time to time in this whole context, but, Mr. Speaker, it is certainly not valid in the sense that we have looked at the railway, water shipments, air shipments and surface transportation, the movement of goods and people in this Province in its totality. When I became Minister of Transportation in 1981 there was a package presented to the Province by the federal government, the Liberal administration in Ottawa, that was telling the Province what it was going to do with regard to transportation in this Province over a five-year period. The immediate thing they were going to do, Mr. Speaker, in that proposal was to eliminate the railway without any kind of accommodation for the total transportation picture.

SOME HON. MEMBERS:
Not true!

MR. DAWE:
That is very true, Mr. Speaker.

It was because of negotiations that went on at that time that we were able to get the then Ministry of Transport and the federal government to become involved in the containerization process, looking at new methods by which goods were being moved, not only nationally but internationally, in containers and so on. The only opportunity, as could be seen from

any analysis that was done on transportation, for the railway to be able to capture or retain any of its market share was to get into methods by which goods were being moved, and that was the Containerization Program. We went through that process and we went through an evaluation, both from the former federal Liberal administration and the present administration in Ottawa, and looked at the total picture.

This, Mr. Speaker, is an opportunity to develop transportation in this Province in its totality, and much has been done. We have more major airports with regards to size and the number of employees, in Newfoundland than all the rest of Atlantic Canada put together.

Our geographic distribution recognizes the particular need for those kinds of activities in Newfoundland that are not necessary in other parts. On the Coast of Labrador we are into airstrip programs, all over Newfoundland we are into Med-evac airstrips, so it is recognized that we have special needs.

We have an advantage as well, Mr. Speaker, in the transportation of goods and services by the use of boats. Direct water shipment has been, is, and will continue to be the most economical method of moving goods within any part of the world, and particularly in Canada. We have the distinct advantage of being able to access a very economical mode of transportation that is becoming more efficient, Mr. Speaker, because of the very changes in the way goods are moved in containerization than anywhere else. We have that advantage over Saskatchewan. We have that

advantage over Manitoba. We have that advantage over Alberta. We have an advantage and -

MR. EFFORD:

Mr. Speaker, that is a speech he is giving.

MR. DAWE:

Mr. Speaker, if I might? The member asked about the total transportation picture in Newfoundland. He referred to an 1984 report that asked a question about the total transportation needs of this Province, and he identified air, he identified water, he identified rail, and he identified roads. All I am doing, Mr. Speaker, is answering the question that the hon. member asked. If he had shortened up his question, or at least the inference has been shortened up, I might have been able to shorten up the answer.

Now, where am I? I have been through the railroad.

DR. COLLINS:

Give some details.

MR. DAWE:

Mr. Speaker, this particular initiative, in addition to ports improvement, in addition to the improvement in airstrips, in the multi-service buildings in Stephenville, in the improvements to the terminal in Deer lake, the improvements that have occurred in St. John's, the improvements that have occurred in Gander, and the improvements that occurred all over Newfoundland with regard to air transportation, so we are addressing that. The federal government is addressing that in a substantive way. They are addressing the ports development.

MR. SPEAKER:

Order, please!

I ask the hon. minister if he would sum up his remarks.

MR. DAWE:

I will, Mr. Speaker.

In summary, Mr. Speaker, I would just like to point out that in air, in the marine area, and in the surface mode of transportation, which would incorporate the remaining rail services in other parts of Canada, we will have, within the next ten to fifteen years, the best transportation system the people of Newfoundland could ever hope for.

SOME HON. MEMBERS:

Hear, hear!

MR. GILBERT:

A final supplementary, Mr. Speaker.

MR. SPEAKER:

A final supplementary, the hon. the member for Burgeo - Bay d'Espoir.

MR. GILBERT:

He did not do much to talk about the trade-off of the railway for a highway, Mr. Speaker.

Anyway, in the same discussion paper of September, 1984 - I think it was inspired by Goebbels - the Premier said that the Province did not have the resources to maintain the second largest Trans-Canada Highway in Canada. The largest is Ontario.

Now, how does the minister propose to maintain this system now that he has signed away all rights to a maintenance agreement with the federal government? How does he propose to maintain it?

MR. SPEAKER:

The hon. the Minister of Intergovernmental Affairs.

MR. DAWE:

Mr. Speaker, a very interesting question and obviously one that shows again the lack of knowledge about how this program works, will work, and how other programs have worked in the past.

Mr. Speaker, there are two kinds of maintenance that we are involved in. The first is regular maintenance, fluffing up the shoulders of the road, grading gravel roads, and doing snow clearing and putting ice control and sand control, and so on, on the roads, that kind of maintenance where you have work crews that go around and do the various maintenance activities on the highroad systems around the Province. We have identified that that is a very costly bill to government. It is a very current, ongoing, expensive operation.

What makes it expensive, Mr. Speaker, is a number of things that have been identified as being wrong with our surface transportation. What makes it expensive is that at a particular point in time, when some colleagues opposite were in power, roads were built that lacked proper roadbeds, lacked proper alignment, roads that lacked proper grades, plus this Province has some 3500 kilometers of dirt road, which makes ongoing maintenance very expensive.

This particular program identifies all that, and is one of the prime reasons why the Province negotiated this kind of an arrangement whereby these sorts of things, that are negative from a maintenance perspective, would be

addressed, in that roads would be improved, alignments would be changed, paving would be done, and various activities would be carried out to improve the roadbeds and lessen the ongoing yearly maintenance activity associated with the roads.

So that is what will happen. As I and other members on this side have said to members opposite before, as my colleague, the Minister of Transportation has said, as you improve the roads through capital construction and capital reconstruction, you also lessen the amount of maintenance that has to go on on a yearly basis.

The second kind of maintenance, Mr. Speaker, is the kind of capital reconstruction that we are involved in - and it can be termed as capital maintenance, if you will - taking roads that are inferior and working with that road. The road is there so it is not building a new road, it is improving the road that is there, and in that sense it is a capital maintenance program. This whole agreement that we have entered into, and other programs that we are doing ourselves, are intended to carry on, with the roads that we already have, this capital maintenance.

In addition to this particular program, as has been indicated and has been written into the agreement, we will continue with the capital maintenance program through various ERDA agreements that we may be involved in from time to time, and certainly at the end of a four year period we have been assured, and as indicated in the agreement and others, that we will continue with additional ERDA agreements that will address some

of the capital maintenance problems that would be associated with road construction in the Province on into the future.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

The hon. the member for Stephenville.

MR. K. AYLWARD:

Thank you, Mr. Speaker.

I have a question for the Premier, but since he is not here I direct it to the Minister of Intergovernmental Affairs.

Labour Adjustment Program: Would the minister tell us if the \$70 million which is included in the agreement is new money or is it money that was in the collective agreements that were already negotiated.

MR. SPEAKER:

The hon. the Minister of Intergovernmental Affairs.

MR. DAWE:

Mr. Speaker, in the package that was distributed it was identified that there is in fact a collective agreement in place which addresses some of the issues that have been ongoing and foreseen by both the employees of the railway and CN as they negotiated on a national basis certain agreements.

What we have also said, Mr. Speaker, and is also in the agreement, is that there are obviously unique circumstances associated with this particular procedure in this Province. In fact, the railway will no longer be in the Province, and so there are special mechanisms that have to be put in place over and above

the usual things. There are, I think, eleven or twelve individual unions associated with the railway and with this particular package. Some of them have negotiated agreements at different times that have different requirements in them.

Mr. Speaker, both the federal and provincial governments are going to monitor this agreement very closely to make sure that there is equity in the program, equity for part-time workers, equity for workers who wish to be trained or wish to find other employment with CN Marine. This package goes well beyond the \$70 million that has been identified in the agreement.

MR. K. AYLWARD:

Mr. Speaker.

MR. SPEAKER:

A supplementary, the hon. the member for Stephenville.

MR. K. AYLWARD:

With reference to the Labour Adjustment Program, could the minister tell us if the \$70 million included in the agreement is new money or is it already monies that were negotiated in the collective agreement? Also, if it is not new money - if it is in negotiated collective agreements already in existence, then it should not be in to make the agreement add up to \$800 million - what is the additional amount of money in there for employees in the Labour Adjustment Program?

MR. DAWE:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Intergovernmental Affairs.

MR. DAWE:

Mr. Speaker, first of all there has been a number of labour agreements involved in this process for a long period time. Railway employees have been greatly reduced since CN took over the Newfoundland Railway in 1949. The largest chunk of railway employees were eliminated when the hon. Leader of the Opposition (Mr. Wells) was involved in government on this particular side of the House. There were special agreements in place, Mr. Speaker, the last time there was a significant number of layoffs over and above collective agreements, but these special agreements expired last March!

We have identified forty people who came outside of that special agreement who are now part of whatever the normal collective bargaining process is. But as Mr. Crosbie, the Premier, Mr. Lawless and others have indicated, these people who have been laid off between the special agreement and negotiating this particular labour adjustment package will be taken care of as if they were still working with the process.

I do not know what the thing is about new money. Certainly nobody anticipated that all of a sudden the railway would be gone, because collective agreements are not negotiated that way. If it had transpired, it would have transpired over a significant period of time. The people who talked to me and to others have identified that, if that were to happen, they would not be happy with just dealing with collective agreements because they vary so much. Members of the trainmen and people in operating trades, the ones who deal with the movement of the engines and so on, their particular agreement was certainly

not as substantive as other union agreements. We have been assured that will all be taken into consideration.

So the quick answer, if you will, or the simple answer is that certainly part of the money that has been identified - if the member is suggesting that something is hidden, there is nothing hidden in this process - is new money in the sense that last week there was a railway, there were employees working, but this particular week we are in the process of phasing it down, so that is new money that is coming out, but it is certainly part of the collective agreement. There will be substantive increases. As to whether I can tell him how much, every employee with the railway will certainly be dealing on his own individual basis, with his own individual needs and requirements, and will address what is available to him both from his collective agreement and what will be available to him in extra packages and benefits because the railway is closing down. It will be something that will be dealt with certainly on an individual basis and a collective basis with the employees and with the union, closely monitored by the Province and the federal government. And to try and indicate what that may be or what the total will be at the end is obviously impossible for me or anyone else to try and determine. But certainly, Mr. Speaker, when this process has ended that information will be readily available.

MR. K. AYLWARD:
A supplementary.

MR. SPEAKER:
A final supplementary.

MR. K. AYLWARD:

Since the \$70 million is not new money, would the minister tell us why he signed an agreement that totals \$800.6 million which includes in that amount \$75 million for labour adjustment which has already been negotiated over the years by the employees with the employer?

MR. DAWE:
Mr. Speaker.

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

MR. DAWE:
Mr. Speaker, I do not know what kind of mathematical game the hon. member is trying to play. But certainly the amount of \$70 million that has been identified is money that CN is going to have to find now as a result of the railway no longer being in operation in Newfoundland. Now, they never had that earmarked to deal with last week or the week before or last year, so in that sense obviously that is new money. That is \$75 million, and it was broken out. The \$5 million in that particular thing deals with surveys, making sure you define and redefine the ownership of the various railway right-of-ways and so on, to take on the other process that was identified in the package, of making sure that the land that is surplus to CN's needs, or a federal agency's as it relates to terminals in various parts of the Province, and the various assets of the railway returning to the Province are done in a legal and defined fashion. So in that sense, Mr. Speaker, he is wrong on both counts.

MR. FENWICK:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Menihek.

MR. FENWICK:

Thank you very much, Mr. Speaker.

My question is to the Minister of Intergovernmental Affairs. It concerns a reply I got from the Minister of Transport (Mr. Doyle) last week when I asked him what the situation would be with regard to Port aux Basques, and whether or not any studies had been done about the effect of closure?

This weekend we saw seventy containers come in by boat to St. John's from Halifax, traffic that normally would go through to Port aux Basques, and that was the kind of change in mode that we are worried about. My question to the Minister of Intergovernmental Affairs is this: Since the Minister of Transport has identified your department as the one which did the studies on the future of Port aux Basques and on the impact that this particular change would have on it, could the minister give us some indication of what the future is going to be for Port aux Basques under this major change, the dropping of the railway, and the change in traffic patterns?

MR. DAWE:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Intergovernmental Affairs.

MR. DAWE:

Mr. Speaker, if I might take a minute to break out my crystal ball again and talk about what the future of Port aux Basques is, the future of Port aux Basques, Mr.

Speaker, is very bright indeed, most significantly based on the fact that it was established as a transportation community and will continue as a very important transportation community. In excess of \$10 million is being spent, and the project will be shortly finished, to improve the entrance onto the Trans-Canada Highway through Port aux Basques. There have been millions of dollars spent on port infrastructure, Mr. Speaker. There will be, as a result of this agreement, additional funding spent on municipal infrastructure and road networks that have been so important to Port aux Basques.

As a matter of fact, Mr. Speaker, I heard the other day that perhaps the volume of people traffic, of individuals visiting this Province and the bookings they have with CN will put a tremendous strain on facilities. As a matter of fact, it has CN Marine excited about the sheer volume of increase in traffic that will be coming through Port aux Basques.

Port aux Basques and the surrounding area have an opportunity to develop a significant tourism industry. It continues to be the established link between North Sydney and Newfoundland, so it will continue to play an important role in transportation. It was identified that certain freight traffic would move, Mr. Speaker, as we have already talked about today, that certain freight traffic that before used the Port aux Basques route will be coming into other arteries in the Province, into St. John's, into Argentia, and that is why, Mr. Speaker, we are improving the access to Argentia. Something which the hon. Leader of the Opposition negotiated away and

made Argentinia part of the primary highroad system. I do not know if members are aware of this, but when we talk about the primary highroad system in this Province and we talk about the Trans-Canada Highway, part of that agreement to eliminate the rail network to Argentinia was to indentify the Argentinia route as part of the primary highway, the main artery system in this Province, and that has been established since the hon. Leader opposite was part of an administration.

So the distribution of goods as it relates to freight will be shifting around and will minimize the impact, obviously, on the road system, on the main artery system, and will also improve the efficiency on the streams. But as it relates to Port aux Basques, there are a number of very significant things, and it is unfortunate that in this Question Period my colleague, the member for LaPoile (Mr. Mitchell), does not get an opportunity to enumerate them.

MR. LONG:
He is in hiding.

MR. DAWE:
The member for St. John's East (Mr. Long) says that the member for LaPoile is hiding. Well, I got news for the member for St. John's East because the member for LaPoile hides from nothing or nobody.

SOME HON. MEMBERS:
Hear, hear!

MR. DAWE:
The member for LaPoile has represented his district very well and will continue to do so, as a result of the representations from the member for LaPoile a number of

very significant things have occurred that will diversify the economy in Port aux Basques.

SOME HON. MEMBERS:
Hear, hear!

MR. DAWE:
And to continue with the diversification of the economy in Port aux Basques, it was identified that \$7 million, and potentially another \$500,000 depending on what happens in the process, is earmarked to help Port aux Basques, the community of Port aux Basques, the business community of Port aux Basques, the economic development arm of Port aux Basques, to assist them in developing and diversifying the economy in Port aux Basques to not only take advantage of the increase in people traffic, the improvements that are occurring because of this stream of individuals who are just begging to come to Newfoundland and spend their money, not only in Port aux Basques, but in other communities right throughout the Province, there are a number of things being done to allow them to take advantage of that particular initiative and there are things being done and things available to them to allow them to take advantage of a number of initiatives that will help diversify the economy, broaden the economic base, so that Port aux Basques will not be subject to the same kinds of fluctuations that a single industry town is subject to.

SOME HON. MEMBERS:
Hear, hear!

MR. SPEAKER:
Order, please!

The time for Oral Questions has elapsed.

MR. TULK:

On a point of order, Mr. Speaker.

MR. SPEAKER:

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

MR. TULK:

I did not do this during Question Period because, to be quite frank with you, I thought enough time was being taken up by the Minister of Intergovernmental Affairs and members would not get their questions in. But I do want to draw to Your Honour's attention -

MR. DAWE:

(Inaudible) one question at a time.

MR. TULK:

If the conductor of the trains would be quiet.

Mr. Speaker, Subsection (2) of paragraph 358 of Beauchesne says, "Answers to questions should be as brief as possible, should deal with the matter raised, and should not provoke debate." Now I have to say to Your Honour that at one point I was tempted to ask one of our members to stand up and ask if they would adjourn the debate. We expect Your Honour to rule if members on this side have their questions too long or if they are not of the type that should be asked in Oral Question Period, but let me give you an example of what went on in this House today during Question Period. The member for Burgeo - Bay d'Espoir asked the Minister of Intergovernmental Affairs a very simple question which was this: Is that not the type referring to the railway of tradeoff the Premier would not engage in some four or five years ago? It took approximately four and a half minutes for the Minister of Intergovernmental Affairs to answer that, when all

it required was a simple yes or no; either the Premier would engage in the tradeoff or he would not.

Let me bring another example to Your Honour's attention. The member for Stephenville asked, Is the \$70 million included in the present agreement new money or is it money that was already contained in the collective agreement? I think it took something like two and a half minutes for the hon. gentleman to say yes or no to that one.

The next question by the member for Stephenville was: How much new money? They laugh over there. They think it is funny. It took him somewhere around two and a half minutes to answer that question. I suppose the figures are so large he could not get it out.

The third question, the second supplementary by the hon. member for Stephenville: Why is the \$70 million included in the \$800 million? Is it included in the \$800 million? Why is it there if it is not new dollars?

Mr. Speaker, the Deputy Premier, when I asked him a question at the beginning of Question Period, answered very well I think, but the Minister of Intergovernmental Affairs stood up, looked at Your Honour in the Chair, looked across at this side of the House and smiled and said, I will go on in this Legislature as long as I want. To me, that is a disrespect for the Chair.

MR. DAWE:

I am just a happy fellow.

MR. TULK:

Oh, you are a happy fellow? Yes,

I know how happy you are. And the Government House Leader on the other side sits down and has a great smile. Now, Your Honour, either this thing stops or this place is likely to come apart. That is not a threat to the Chair, but it is likely to come apart. This is not Parliament, the way this is operating, and I want to make the point of order so Your Honour will take notice of it, and also to put the Opposition on record as being opposed to the type of thing that is going on here.

SOME HON. MEMBERS:
Hear, hear!

MR. SIMMS:
Mr. Speaker, to that point of order.

MR. SPEAKER:
To the point of order, the hon. the President of the Council.

MR. SIMMS:
Mr. Speaker, I am not aware that there is a rule that prevents one from smiling in the legislature. That is hardly a worthwhile bit of ammunition to use in presenting what is supposedly a serious point of order, according to the member for Fogo. I am also not aware that ministers cannot answer questions as they see fit. That is the purpose of Question Period.

Mr. Speaker, obviously if members opposite are not satisfied or happy with the response they get, then they have the right to give notice that they wish to debate it further on the Late Show. Your Honour is the individual charged with the responsibility of determining when an answer and when a question is too lengthy or out of order or whatever.

From my own perspective here, sitting back and listening to the answers given by the Minister of Intergovernmental Affairs, I thought the answers were very thorough answers, very good answers.

Perhaps the problem is, Mr. Speaker, members opposite do not want to hear the answers. I suspect that is the real problem. Either that, Mr. Speaker, or it is getting too hot for them outside and inside.

MR. SPEAKER:
Order, please!

I am prepared to rule on the point of order. There is no point of order.

On quite a number of occasions I have asked the co-operation of all members in having short questions, and in supplementaries not to elaborate. I have also asked hon. ministers to keep their answers short. If hon. ministers feel they cannot answer a question satisfactorily, except with a long answer, I would ask them to give a written reply to that particular question.

As we know, the whole purpose of Question Period is mainly for the Opposition to ask the government questions and to seek information. So the more questions we have the better, as far as the purpose of Question Period is concerned.

Notices of Motion

MR. WELLS:
Mr. Speaker.

MR. SPEAKER:

The hon. the leader of the Opposition.

SOME HON. MEMBERS:
Hear, hear!

MR. WELLS:

I give notice, Mr. Speaker, that I will on tomorrow beg leave to introduce the following resolution:

WHEREAS various documents, reflecting positions taken by the Newfoundland and Canadian delegations negotiating the Terms of Union of Newfoundland with Canada, demonstrate clearly that Canada was to be responsible for the Newfoundland portion of the national transportation system, which documents include a memorandum dated Ottawa, July 11, 1947 from the Assistant Secretary to the Cabinet to the Secretary of State for External Affairs, in which the federal obligation was understood to be as follows:

"In the event of union I think it would be almost inevitable that in the course of time the railway would become part of the Government-owned system since we now provide a governmental transcontinental system covering all provinces and could scarcely make an exception in the case of one".

And, a further memorandum of July 31, 1947 in which the federal obligation respecting transportation was expressed to be as follows:

"It is suggested that assumption of the railway and steamship services would be justified on the ground that it was merely the extension of the coast to coast transportation system to take care of the needs of the new Province."

AND WHEREAS Term 31 (a) of the Terms of Union is a direct consequence of these understandings and was intended to reflect the constitutional obligation of the federal government to be responsible for the Newfoundland portion of the "coast to coast transportation system to take care of the needs of the new Province" and, in the words of Term 31, "relieve the Province of Newfoundland of the public costs incurred in respect of [such] service",

AND WHEREAS the memorandum of understanding executed by the Government of Canada and the Government of Newfoundland on June 20, 1988 will, if carried into effect unaltered, transfer back to Newfoundland the financial burden of maintaining and operating the Newfoundland portion of the "coast to coast transportation system" of which burden Canada, by Term 31 (a) of the Terms of Union agreed to relieve Newfoundland;

AND WHEREAS both the Liberal caucus in Parliament and the Liberal caucus of the House of Assembly have proposed and have undertaken to ensure that the constitutional obligation of Canada respecting the Newfoundland portion of the national transportation system is continued after the closure of the railway in Newfoundland;

NOW THEREFORE BE IT RESOLVED that this House approves of the Liberal caucus proposal to ensure that the constitutional obligation of Canada respecting the Newfoundland portion of the national transportation system be continued after the closure of the railway in Newfoundland;

AND BE IT FURTHER RESOLVED that

this House request the Government and Parliament of Canada to:

(a) cause the Terms of Union to be amended to the extent necessary to affirm that (without relieving Newfoundland from any of its ordinary responsibility for highways, including the Trans-Canada Highway, and without affecting funds that would otherwise be payable by Canada under any highways or other transportation programs) the constitutional obligation of Canada to relieve the Province of Newfoundland of the public costs incurred in providing the Newfoundland portion of the national transportation system is a continuing one, and Canada has responsibility in perpetuity for the additional financial burden placed on Newfoundland to upgrade, operate and maintain the Trans-Canada Highway to a standard adequate to accommodate the traffic diverted to it by reason of the phasedown and closure of the railway in Newfoundland; and

(b) increase and/or pay earlier, as may be necessary, the funds provided for in the memorandum of understanding dated June 20, 1988 in order to give proper effect to Canada's constitutional obligation respecting the Newfoundland portion of the national transportation system. Thank you, Mr. Speaker.

SOME HON. MEMBERS:
Hear, hear!

MR. SPEAKER:
Are there any further Notices of Motion?

MR. SIMMS:
Mr. Speaker, I would like to give notice of a resolution.

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

MR. SIMMS:
WHEREAS the hon. Leader of the Opposition continues to be repetitious in his boring remarks; and

WHEREAS the Leader of the Opposition continues to misinform the people of Newfoundland and Labrador; and

WHEREAS the Leader of the Opposition continues to make statements which are injurious to the public good of Newfoundland and Labrador;

BE IT RESOLVED that this House insist that the Leader of the Opposition tell the truth, the whole truth, and nothing but the truth.

DR. COLLINS:
Hear, hear! Excellent! Excellent motion!

SOME HON. MEMBERS:
Hear, hear!

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

MR. SPEAKER:
A point of order, the hon. the Leader of the Opposition.

MR. WELLS:
I am prepared to debate the railway issue in any context. If the minister wants to talk about telling the truth and accuse me of

MR. SIMMS:
Mr. Speaker, this is debate.

MR. TULK:
No, it is not.

MR. SIMMS:

I did not interrupt his Notice of Motion. Sit down!

MR. WELLS:

I am not interrupting. This is a point of order.

MR. SPEAKER:

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

MR. WELLS:

Mr. Speaker, if the hon. the House Leader wants to call me a liar, I am prepared to waive the rules of the House and allow him to do so, provided I have the same privilege of identifying the lies the government have told the people of this Province.

SOME HON. MEMBERS:

Hear, hear!

MR. SIMMS:

Mr. Speaker, to that point of order.

MR. SPEAKER:

To that point of order, the hon. the President of the Council.

MR. SIMMS:

I did not call the hon. the Leader of the Opposition a liar, those are his own words. But if the cap fits, let him wear it.

SOME HON. MEMBERS:

Hear, hear!

MR. TULK:

To that point of order, Mr. Speaker.

MR. SPEAKER:

To that point of order, the hon. the member for Fogo.

MR. TULK:

Mr. Speaker, what we have seen come out of the hon. gentleman's

mouth, he can phrase it how he likes.

SOME HON. MEMBERS:

Oh, oh!

AN HON. MEMBER:

Is this to the point of order?

MR. TULK:

Yes, to the point of order.

MR. SPEAKER:

Order, please!

MR. SIMMS:

Is this a new point of order?

MR. TULK:

No, the same point of order. The Speaker did not stop me. The hon. gentleman is not the Speaker, I will have him know.

Mr. Speaker, the hon. gentleman can put it how he likes. The truth of the matter is, the resolution he so hastily concocted to try and bury the truth that was just read to him in a resolution by the Leader of the Opposition, should be found to be totally out of order and unparliamentary. But if he wants to debate the veracity of what the gentleman who sits in this chair says compared to what is said in that chair or his own or anybody else's -

MR. SPEAKER:

Order, please!

MR. TULK:

- this side stands ready and willing to go right now.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

Order, please!

The hon. the President of the

Council.

MR. SIMMS:

Mr. Speaker, I do not know what the hon. member for Fogo is making all the fuss about. I have already indicated -

MR. TULK:

You are a nonsense.

AN HON. MEMBER:

And you are a nuisance.

MR. SIMMS:

I am a nonsense and you are a nuisance. I do not know what is wrong with the hon. the member for Fogo. What happened to him over the weekend? He must have gone out to Fogo and found out he is going to be blown out of the water the next election, or something like that.

Mr. Speaker, what you have here is nothing but rhetoric from the member for Fogo, a bunch of malarkey, a bunch of baloney. You have the Leader of the Opposition standing up to try to somehow play politics with this railway issue, and that is all he has been trying to do. If he went around the Province and talked to the people he would see and he would learn, but he has not enough political sense to do that, Mr. Speaker.

We are going to call the budget debate today. We have indicated that. They know it. We announced it last Thursday or last Friday. It was no big surprise or anything like that. When we call the budget debate, members opposite can debate whatever they want. They do not need to do it under the guise of a resolution, which he knows full well is placed on the Order Paper for Wednesdays, and ends up being number 18, and will never be debated anyway. It

is nothing but a charade on the part of the Liberal Opposition and the Leader. All it is is a charade, Mr. Speaker.

MR. SPEAKER:

Order, please!

I am not going to rule on the point of order now. I would like to have a look at the resolution afterwards, and I will rule on that matter tomorrow.

Answers to Questions for which Notice has been Given

DR. COLLINS:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Health.

DR. COLLINS:

Mr. Speaker, a question was asked about the cost of certain facts giving information that were in the newspapers recently. The cost to government is approximately \$55,000 as part of a public awareness program, because many workers in many communities in the Province are interested in what the alternative transportation package is all about.

I might add, Mr. Speaker, that the federal government and CN itself have also had a public awareness program of similar cost and along the same lines.

Orders of the Day

MR. SIMMS:

Motion 1, Mr. Speaker.

MR. SPEAKER:

Motion 1. That debate was

adjourned by the hon. the member for St. Barbe, who had not spoken but adjourned the debate.

The hon. the member for St. Barbe.

MR. FUREY:

Mr. Speaker, as I was saying a month ago, or was about to say a month ago -

AN HON. MEMBER:

And wish we would all remember.

MR. FUREY:

It is nice to see the House lighten up for a second over there.

Mr. Speaker, I propose to talk about the budget from three view points. First of all, about the budget itself and the overall economy of the Province, secondly, from the perspective of the district I represent -

MR. SIMMS:

(Inaudible).

MR. FUREY:

Mr. Speaker, I have not even started, and he has started already.

MR. SIMMS:

(Inaudible) three view point budget speech.

MR. FUREY:

An overview, Mr. Speaker, quickly of the economic mess we find ourselves in today, a quick look at some of the problems in the district that I represent on the Northern Peninsula, St. Barbe, and, Mr. Speaker, at the end I propose to talk for a few minutes about the railway deal, which occupied part of Question Period today. It was interesting and fascinating to watch the Minister of Intergovernmental Affairs give his answers today, Mr. Speaker,

long winded as they were.

I did not think it was possible to say sell-out so many ways, Mr. Speaker, but I saw it today, in different answers with respect to the railway. But I will come back to that, Mr. Speaker.

Mr. Speaker, in terms of the economy in this Province, since the Peckford administration came to power in 1979, in my research looking at what has happened, three fascinating sets of figures come to the surface and they ought to be talked about.

The first one deals with social services and this is brought to my attention by our critic, the member for Port de Grave (Mr. Efford), who is doing a very good job shadowing and looking after that portfolio and doing it very admirably and would make indeed a fine Minister of Social Services in his own right.

Mr. Speaker, he tells me that in 1979 in the budget requirements for that year, the year the Peckford administration came to power, we saw the requirements from that department, its share of the economic pie from the revenues generated throughout the Province at that time, was \$1.13 billion, in 1979. So, in other words, to run the Department of Social Services and to help people who are hurting and who could not for reasons beyond their control help themselves, the requirements to help those people in capital and current dollars, Mr. Speaker, in 1979 was \$1.13 billion.

Now, if you cross the span to modern day current dollars, 1988 dollars, capital and current, from the time that the Peckford administration took over, which

was \$1.13 billion, \$1,130,000,000, to today's dollars to see what the increase was, it has jumped from \$1.13 billion to \$2.56 billion, in the nearly ten years the Peckford administration has been in power.

Mr. Speaker, normally you would commend the government for increasing its expenditures in various departments across the various sectors; in normal circumstances, you would commend that. But what we are really seeing here today, Mr. Speaker, is not commendable. It is a huge, whopping increase of \$1.14 billion that had to be spent to help people, Mr. Speaker, who are beyond their own resources; who, through no fault of their own, have been caught up in the social safety net and required government's assistance. A direct increase in the ten years of the Peckford administration, Mr. Speaker, of \$1.14 billion.

That is shameful, Mr. Speaker, it is not commendable. It is not a good thing. It is not something that you can be proud of, to say: 'Look, we have increased the budget requirements for this department, should not we be lauded out there in the public.' As my friend for Port de Grave points out to me, this increase of \$1.14 billion is absolutely shameful, but it is a direct reflection, it mirrors the performance of the economy in the Province today, Mr. Speaker.

If there is no economic activity, there are no jobs. If there are no jobs, families large and small, are forced to the door of the welfare office. They are forced to go seek help from the public treasury. They are forced, Mr. Speaker, without dignity, into the social safety net. It is no good

for anybody to say that is praiseworthy, and the government ought to be commended.

A direct increase in the Peckford years, those nine and a half years, of \$1.14 billion to help people in an economy which refuses to help them find jobs themselves. That is the first startling figure, Mr. Speaker, I want to draw to the House's attention.

The second figure, Mr. Speaker, was pointed out to us by our finance critic, Mr. Baker, the member for Gander. He told the House that during the nine and a half years of the Peckford administration, in 1979, the direct total public sector debt, that is to say, all of the monies accumulated that the government, through its own operations, its own ministries, and reaching out to its Crown corporations and other quasi Crown corporations, all of the bodies that use public money, Mr. Speaker, all of them, if you stack it all up, in 1979, when this government took office after the Moores Administration, the total public sector debt was \$2.56 billion. What happened, Mr. Speaker, over the nine-and-a-half years of this administration being in power?

Was the government sensible with controlling debt or did they let it run completely rampant and out of control? Well, Mr. Speaker, like it or not - the Minister of Mines and the Minister of Transportation can laugh all they want, because it is their orgy and splurge they are laughing at. It is their party that they are laughing at. Let me tell you, what a party they had, Mr. Speaker! What a party they had!

They took our total public sector in debt in nine-and-a-half short years from \$2.56 billion to \$4.58 billion. Mr. Speaker, in the nine-and-a-half years that the Peckford administration has been controlling and administering our finances, the total public sector debt that we have accumulated has risen by \$2 billion. That is quite a party these characters have had in the last nine-and-a-half years.

Mr. Speaker, there is a third statistic which jumps out and cries out to be spoken about. I have talked about the whopping increase to social services. The second one that is frightening is the whopping increase of the total public sector debt, which jumped by \$2 billion. The third one, Mr. Speaker, is even more frightening.

The third statistic, Mr. Speaker, that has to echo in every nook and cranny and cove across this Province is what has happened to the poverty line in this Province, Mr. Speaker, in the nine-and-a-half years that we have seen this government administer the affairs of the Province. To do that, Mr. Speaker, you have to compare yourselves to one of the Maritime provinces. We could compare ourselves to any number of them, but, as has been pointed out by the leader, the New Brunswick one is perhaps the fairest model.

In 1981 in New Brunswick, Mr. Speaker, the percentage of families living below the poverty line was 17.4 per cent, very similar to the Newfoundland experience which was 17.3 per cent. When you crossed the nine-and-a-half years of this government administering the Province, you see in New Brunswick

a decrease. It goes down to something like 15 per cent.

AN HON. MEMBER:

Fourteen point three.

MR. FUREY:

Fourteen point three per cent, a decrease of nearly 3 percentage points. So, in the nine-and-a-half years we have had this government, New Brunswick in the same space has brought its poverty level down over 3 percentage points. Newfoundland, Mr. Speaker, in the same time frame, the same nine-and-a-half years, has seen its poverty level increase nearly 4 per cent. A little over 4 per cent, I think. The percentage of families living below the poverty line is up to just over 22 per cent in this Province. Nearly one-quarter of all families living in the Province live below the poverty line.

Mr. Speaker, those are three startling, staggering, blistering statistics this government has to be held accountable for. Number one, the \$1.4 billion increase in social services expenditures, which is shameful; Number two, the total public sector debt after nine-and-a-half years of administering the Province's affairs has jumped by \$2 billion. What a party they had, Mr. Speaker! Number three, the poverty level under this administration has leapt 4 percentage points to nearly 22.3 per cent, while in New Brunswick over the same time frame, we saw it decrease.

Mr. Speaker, that would not be bad enough except the numbers right across the entire economy get worse. Mr. Speaker, as much as they hate to hear it, they are

going to hear it continuously till they go to see Lieutenant Governor McGrath and seek a warrant to issue the writ to have an election. They are going to keep hearing it because it is their numbers, their statistics, and particularly that former Finance Minister. I gave him a lecture last week on the state of the economy which he developed, the old kick-start minister, the good news bearer, the good news Minister.

Mr. Speaker, in 1979 unemployment, according to the Premier's own documents, and these are his documents, unemployment in the Province was twice the national rate. The participation rate was twelve points below the national rate and the earned income was more than half the national average. In fact, I think, the total earned income for the Province was 58 per cent of the national average.

Mr. Speaker, that was Premier Peckford's quick analysis of the economy in those three areas: that our unemployment rate was twice the national rate, our participation rate was twelve points below the national rate, and our earned income was only 58 per cent of the national rate. Then he took us through nine and a half years of government and we saw, Mr. Speaker, after just eight years of it, the unemployment rate was two and a quarter times the national rate, the participation was thirteen points below the national rate, and the earned income had dropped to 56 per cent of the national rate. Nothing changed! We were static, we were stuck in the economic mud, and we were not moving upward, we were moving downward.

I got a kick out of the Premier in 1982. I think, it was during the debates. When he was closing the debate at that time I remember well, Mr. Speaker, him looking into the television camera and speaking to people directly in their living rooms. He said what he wanted to do most was to deal with the Newfoundlanders he had run into in Calgary. He met them, I think, at the hotel in downtown Calgary. They came to his room, sat around and had a drink, and the Premier heard their stories of being sent away from home and trying to find work.

The Premier gave out a rhetorical question at that time. He said, 'Their main question was when can we come home?' Now, that is what the Premier said. He tugged at the heartstrings of Newfoundland, and he played the emotional roller coaster for what it was worth, politically, and smartly. He said, 'When can we come home?' His dream was to bring them home, to bring them home as soon as possible.

But, Mr. Speaker, what happened in the intervening years between the time the the Premier said, 'When can we come home' and the current day, right now? I will tell you what has happened.

We have seen, Mr. Speaker, I think our party has calculated a total of 18,700 people in the intervening years. I think that takes us from 1985 to 1988 - in those three years, we have seen an exodus from this Province of 18,700 people. Mr. Speaker, that is 6,000 people every year, over 6000 people. More than that, Mr. Speaker, every waking day, every single day since the beginning of 1985, January 1, 1985 to the present day, right now, today,

every single waking day fifteen Newfoundlanders have left home.

They have left home for good because they are leaving an economy that is twisted, that is torn, that is shattered, that is in shambles, and if you do not believe it, Mr. Speaker, you just have to take your car and get out on the highway and everywhere you will see young people hitchhiking.

Where are they hitchhiking, Mr. Speaker? Are they hitchhiking to Grand Falls? Are they hitchhiking to Corner Brook? Are they hitchhiking to Bonne Bay? They are not hitchhiking to Bonne Bay, Mr. Speaker. Sixty-five homes were closed last year in Bonne Bay last year alone. The fellow who checks the meters on the homes told me, when I ran into him the last time, sixty-five homes in little Bonne Bay, on the Southside of Bonne Bay, were closed up in the last year. They are not hitchhiking to Grand Falls, Mr. Speaker. They are not hitchhiking from St. Anthony to Deer Lake, Mr. Speaker. They are not even hitchhiking to Port aux Basques. They are hitchhiking to Toronto, Mr. Speaker. They are hitchhiking to Toronto to save face, to gather together the little bit of dignity they can scrounge up by getting twenty stamps to say that they have an income so that they can come home for Christmas.

That is what is being told to me every single time that I go up to my district, Mr. Speaker, last weekend, next weekend when I go up there for the Salmon Festival and the Shrimp Festival, every time I drive North, I pick someone up on their way home from Toronto or Calgary or Fort McMurray or Montreal the last time I picked up

two young fellows. They got a job, even though they could not speak French. It was manual labour, pick and shovel stuff, but they got a job.

Every time I go North I am picking up someone on the way home. Every time I drive South from Anchor Point at the top of my district to Deer Lake, I am picking up young people between the ages of sixteen and twenty who are on their way to Toronto, Montreal, Fort McMurray and Calgary.

Mr. Speaker, it is because there is nowhere to find work for them in rural Newfoundland. They cannot get into the fishery because of the regulations in the fishery. They cannot go in and cut wood because of the regulations imposed upon loggers and because of the limited timber stands and because of the devastation of the looper. They cannot get on building roads because this government will not allow them to build roads. They will not spend money building roads.

There is no work, Mr. Speaker, except the few crumbs of make-work dollars under the student programs which come from Ottawa. That is it: That is where it stops.

So I get quite a charge out of this Minister of Finance. I am sure I heard him somewhere in the last month or so saying that the real unemployment rate in this Province is 8 per cent. Is that what he said?

AN HON. MEMBER:
At Rotary, yes.

MR. FUREY:
At the Rotary. The real unemployment rate in this Province

is at 8 per cent. Can you imagine saying that?

Tell that to the people down in Bay d'Espoir, Mr. Speaker. Tell that to those people who were on that petition, 4100 people, 1,700 are in the workforce. Of a total workforce of 1,700, 200 are employed full-time. That leaves an 87 per cent unemployment rate, Mr. Speaker.

Mr. Speaker, tell the people of Trout River in the lower section on the South side of Bonne Bay in my district, tell them that the unemployment rate in Newfoundland is 8 per cent, and I will tell that minister that it is 88 per cent in that community.

They have never been given a chance, Mr. Speaker. Every bit of fish that is unloaded, 3 million pounds last year, is trucked over the wharf, out of the community, and off to other districts. They have not had a chance, Mr. Speaker, but they are going to get the chance, Mr. Speaker. As long as I am the member there and as soon as that writ is dropped, they will get the chance. They do not have to worry about that. But, tell that to those people, Mr. Speaker.

Tell it to the people in Brig Bay who are struggling now in a fish plant where they have not been paid for last year, let alone this year!

So, Mr. Speaker, these are the truthful realities that this government chooses to sink their heads in the sand for.

What is the member for Bellevue saying? Does he want to speak on this or ask a question or something? Is he arguing against

the facts? Is he saying that these are not true? They were certainly true three months ago when he was on this side hurling it back at that government over there.

MR. CALLAN:
(Inaudible).

MR. FUREY:
I see. So, what defines a good member? Cross the floor and pick up a few crumbs of pavement? Is that a good member? Mr. Speaker, I will never cross the floor and he knows it. I will never cross the floor and sell out my electorate, the electorate that choose me as a Liberal. That will never happen! You will never see this member wear the Tory label!

SOME HON. MEMBERS:
Hear, hear!

MR. FUREY:
Never, Mr. Speaker.

MR. CALLAN:
You would not be accepted.

MR. FUREY:
Well, Mr. Speaker, it is like this: The Premier set up the standard. What do you mean never be accepted? 'You takes what you can get when you can get it.' Those are the Premier's words, not mine. 'You take what you can get when you can get it.' Now, that is what he said, sucking on the cigar, with the member for Bellevue blushing at his right hand like a Sprung tomato. Now, that is the truth of the matter.

MR. TULK:
'You takes what you can get.'

MR. FUREY:
'You takes what you can get when you can get it. Now sit down. I

got you, now shut up.' That is basically what he was saying. That is the harsh truth, Mr. Speaker. So, Mr. Speaker, I will never be a Tory, even by that standard.

Mr. Speaker, getting back to the truth here about the economic impact on the Province. Mr. Speaker, we are talking about all kinds of things in this Budget and right across the economy. Let us talk for one second about the minister's statements with respect to health.

We talked about the Minister of Finance (Mr. Windsor) saying it is only 8 per cent unemployment. I cannot believe members opposite will actually sit here and not refute their own minister. They know the truth of it. The truth of it is that it is officially, nearly 18 per cent. If you add in Dr. House's hidden unemployed, I think he says 10 per cent, minimum, the hidden unemployed and those who have given up, those who have moved away to take what they can get in terms of employment, Mr. Speaker, you have to add 10 per cent to that and that is really 28 per cent. That is devastating! That is ridiculous!

Well, let us talk about hospitals for a minute.

MR. J. CARTER:

What about the underground economy?

MR. KELLAND:

That is all 'savory roots, 'John'.

MR. FUREY:

The results in the cutbacks in health care: We are seeing ever increasing cutbacks year after year. Our health critic has pointed it out and done a very, very good job, constructively

criticized the government, pointed out factually the problems, and sought solutions. And what did they do? The answer is to attack the person.

The last refuge of the scoundrel is someone who wraps himself in patriotism and attacks his critics' person. Do not attack the policy, do not attack the principle, do not attack the argument, attack the person! That has been the story of this government for the last nine years. Deflect, distract, and do everything but keep the criticism from their own doors. Now that is the truth of the matter, Mr. Speaker.

When we point out health care cutbacks and we point out the nursing shortage, the minister says, 'No problems in nursing.' When we point out the closure of beds, 'No problems in the closure of beds.' When we tell them about people who actually need heart surgery, 'No, there is nobody needs heart surgery.'

It might be funny to the hon. member for Bellevue (Mr. Callan), but I will tell him a little incident that happened in my riding. There was a gentleman who needed an operation - I told this to our health critic - for aneurysm, a very serious heart operation, needed it, and was ready two or three times, I think, but I had to go and approach the Health Minister about that and tell him about it, to get some action on it. Now, that is what it has come down to, Mr. Speaker. What kind of health care system are we in? Is it going to be health for the rich? Is that what we are aiming for?

MR. CALLAN:

What would you do?

MR. FUREY:

Is it going to be health services by how you vote? Is that what it will come down to, Mr. Speaker?

Water and sewer is by how you vote; Pavement is by how you vote. Is health how you can vote? Will you have to show a Tory card for an operation? Is that what it will come down to?

The hon. member for St. John's North (Mr. J. Carter) says that is right. Well, there are going to be a lot of liars between now and the next election if that is what it has come down to.

AN HON. MEMBER:

You will need blue blood.

MR. FUREY:

Because, Mr. Speaker, a lot of them will be holding up these Tory cards, holding their nose while they are holding them up, to seek medical help.

Mr. Speaker, the list goes on. The Education Minister (Mr. Hearn) says, 'No, problems in education, and if there is a problem in education it is merely a freak accident of geography.' Is that what he said? It was something like that. 'It is a conspiracy of geography. It just happens where your geographic circumstance places you.' He does not talk about the tax base where, in urban areas they have a bigger tax base therefore they get more cash, therefore, they give more cash to the students, therefore students get a better education. He does not talk about the limited dollars in rural Newfoundland and places like Bellevue, in places like St. Barbe, in places like St. Anthony, the smaller the tax base, the

smaller the tax collection; the smaller the tax collection, the smaller the amount that goes into education, Mr. Speaker.

Mr. Speaker, education, like health, is in serious difficulty. There is no question about that.

MR. CALLAN:

Where would you get the money?

MR. FUREY:

I get a real charge out of these yappers on the back bench over there, Mr. Speaker, because they are the ones that implicitly affixed their signatures to the railway sell out.

MR. TOBIN:

We are proud of it.

MR. FUREY:

Mr. Speaker, I ask them this question: Where would we get the money to maintain that highway once this quick cash dissipates?

Mr. Speaker, one can use the analogy of that beautiful hospital over there -

MR. TOBIN:

What about Pickersgill's letter?

MR. FUREY:

Use the analogy of that beautiful hospital over there called the Health Sciences Complex. No doubt it is a first class, first rate, up-to-date, modern \$40 million hospital. That is great, it is wonderful to see it built, it is a great asset to our health care, but let us just look at it.

Is it functioning 100 percent? Are all the beds open? Do we have the numbers of specialists we require? Do we have the equipment necessary, up-to-date equipment?

Okay, well all of that is called, guess what? Operating and maintenance! Can we operate and maintain that \$40 million hospital at capacity? If we cannot do that with a hospital, in the name of God, how can we do it with a multimega million dollar highway in ten years time. Can we do it? We cannot do it.

If we cannot maintain our schools, Mr. Speaker -

MR. CALLAN:
Sit down before (inaudible) knocked down.

MR. FUREY:
I have a little school in the Northern part of my riding and it serves kindergarten to grade three, little toddlers. There are about 150 of them. It is called St. Genevieve's School and it sits on the St. Genevieve River. Perhaps some members salmon fished in that great river.

AN HON. MEMBER:
(Inaudible).

MR. FUREY:
Right.

MR. KFILAND:
Jim Morgan does.

MR. FUREY:
Mr. Speaker, those little children go into that school every day, and it is really a nice little school but, do you know something, Mr. Speaker? They do not have the money to fix the leaks, some of them are fixed. They do not have the money, Mr. Speaker, get this, grade kindergarten to grade three, they do not have the money to put in fresh, clean drinking water. Can you believe that? Can you believe that, Mr. Speaker, we are almost eleven years from the

Twenty-first Century and 150 children in grades kindergarten to grade three on the Northern Peninsula have no money to put in fresh drinking water. Their parents have to give them ginger ale, milk, and water from home to carry to the school. Now that is what we are talking about.

That is called operating and maintenance. We cannot do it! We cannot do it in hospitals. We cannot do it in schools. How can we do it in highways?

Mr. Speaker, just a quick point here while I am on the railway. I notice I only have five minutes left. Mr. Speaker, I did have a half an hour. Did I not only start at three o'clock, Mr. Speaker? I thought I did.

Mr. Speaker, with respect to the railway, and this is a very important point, because it goes right to the very heart and soul of what we are all about in this Chamber. What we are all about, all fifty-two of us -

MR. J. CARTER:
Now we will hear some lies.

MR. FUREY:
Well, the hon. members says, 'Now we will hear some lies.' He knows what I am speaking is the truth. He knows himself when he spoke on the cucumber fiasco a number of weeks ago he did it barely keeping a straight face. He wanted to bust out laughing after every second sentence. He knows that.

But what we have heard from the Peckford Administration in the last nine-and-a-half years is fight, fight, fight for your rights! Fight on offshore oil! Fight on factory freezer crawlers! Fight on allocations of

Northern cod! Fight with little St. Pierre and Miquelon over fish! Fight with everybody! But get your rights!

SOME HON. MEMBERS:

Oh, oh!

MR. CALLAN:

Stab, stab, stab.

MR. FUREY:

Mr. Speaker, that was through the left side of their mouths. Do you know what they said through the right side of their mouths?

Mr. Speaker, I will try to say this with a straight face without laughing. They were saying that Newfoundland and Labrador does not have a constitutional right under Canada's Constitution for Canada to maintain Newfoundland's portion of the national transportation system.

Mr. Speaker, do you know what they said? They said, Term 31 of the Terms of Union does not give us that right. That is what the thirty-five members over there voted for. Now, some of them do not even realize what they voted for, Mr. Speaker, because they are just trained in their seats to do as told.

MR. TOBIN:

Every time I move I see (inaudible).

MR. FUREY:

Mr. Speaker, the railway deal goes far deeper than just removing two streaks of rust from across the Province's inner roadbeds. It goes far deeper than that, you see, because the hon. member for Bellevue is going to have to answer to his grandchildren. Why did he sell out the constitutional right inherent in us joining

Confederation which bound Canada, under Term 31 (a), to look after our transportation needs and to keep us up to national standards? He has to answer that. Every member over there, the newly appointed minister from Burin - Placentia West, the Minister of - what is your department anyway? We hardly ever hear from you. What is his department?

MR. TOBIN:

You will find out about it.

MR. KELLAND:

One hundred and forty-six per cent increase, that is his department.

MR. FUREY:

Social Services, yes. The minister is so insignificant in his seat. His best speeches are made on his rear end, Mr. Speaker, but that is no insult to his anatomy.

Mr. Speaker, what I wanted to say is that every member opposite have to answer history for the constitutional sellout. We saw what happened, Mr. Speaker, when Mr. Diefenbaker tried to steal Term 29 out from under our noses. We saw what happened there. Mr. Speaker, there was a specific reference to the actual amount of money we would be compensated to keep us economically up to par. When Diefenbaker tried to steal it, Mr. Smallwood halted him in his tracks, to Mr. Smallwood's credit.

Mr. Speaker, Term 31 (a) - I get a real charge too out of hon. members opposite saying, 'Well, you know, what will happen in eight years time is that we will have reopener clause. We can actually reopen this agreement.'

But, Mr. Speaker, not one of them

on the other side, especially the only lawyer on the other side, the Minister of Justice (Ms Verge), who ought to have known better - she is a competent lawyer and, I hear, a good lawyer, so she ought to have known better. The reopener clause, Mr. Speaker, is mush. It is pure, unadulterated bluffery.

MR. SPEAKER (Greening):
Order, please!

The hon. member's time is up.

MR. FUREY:
In conclusion, what is happening, Mr. Speaker, on the railway deal is that Term 31 is sold out, the reopener clause guarantees that both levels of government will sit down and have a cup of tea in eight years time, and Canada will say, 'You are up to par,' and Newfoundland will say, 'We are not up to par,' and Canada will say, 'Get lost!' That is what the reopener clause says.

Mr. Speaker, I wish that I had unlimited time because I really to have a lot more to say. Mr. Speaker, I think I will get a chance in this debate to talk more.

AN HON. MEMBER:
By leave!

MR. FUREY:
Thank you very much. The hon. member for St. John's North gives me leave.

MR. DINN:
The hon. member for St. Barbe is making a fool of himself.

MR. FUREY:
Now, listen! Mr. Speaker, could you silence the Minister of Mines (Mr. Dinn) because the hon. member for St. John's North (Mr. Carter)

just gave me leave.

MR. DINN:
He does not know any of the rules of the House.

MR. J. CARTER:
By leave.

MR. FUREY:
By leave. Thank you, very much.

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

MR. FUREY:
Mr. Speaker, under the railway agreement let me highlight some of the inequities that have to be pointed out. Under the Constitution, Term 31 of the Terms of Union -

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

MR. SPEAKER:
Order, please!

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

MR. DINN:
The hon. the member for St. Barbe is making a fool of himself. He has run out of time now, as well as running out of everything else. He does not have any leave of the House and he should sit himself down when he is called to order by the Speaker.

MR. SPEAKER:
There is no point of order.

The hon. member's time is up.

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

MR. SPEAKER:
On a point of order, the hon. the member for St. Barbe.

MR. FUREY:

Mr. Speaker, the hon. member for St. John's North (Mr. J. Carter) was clearly enjoying my presentation of the facts from the budget and the railway and I was about to get into my district. He offered unlimited leave. I think his choice of adverbs was, forever. Is that right? I accept that, Mr. Speaker, but I will tell him that I need not go on forever, but if he would give me another two hours, I would be deeply appreciative, Mr. Speaker. Would you ask the hon. member if he would allow that?

MR. SPEAKER:

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

MR. DINN:

And no leave, either.

MR. SIMMONS:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Fortune - Hermitage.

MR. SIMMONS:

Mr. Speaker, I rise on a point of order. I did not particularly want to do it while my friend for St. Barbe (Mr. Furey) was speaking, though it is a very serious point of order.

MR. TOBIN:

He is looking at me.

MR. SIMMONS:

I watched as my friend for St. Barbe was making a very good speech and the gentleman for Burin - Placentia West (Mr. Tobin) has now been in three separate seats, heckling all the while, and ignoring the basic rule of the House that a member must speak from his own place.

MR. J. CARTER:

It is a precedent. There is no rule about that.

MR. SIMMONS:

Knowing the fairness of Your Honour, I looked for some protection from the Chair, and I am sure it was an oversight on the Chair's part to allow it to persist, but we have waited for more than a month for this particular Budget Debate to be called and we would like to have an opportunity to be heard. If there are interventions, we understand that, but, Mr. Speaker, what we say today, and I just used the gentleman for Burin - Placentia West as an example, in that he was in the Premier's seat, and the one on either side of the Premier's seat at various times during the past twenty minutes, shouting and heckling at will, without being called to order.

I would ask the Speaker, if he would restrain the gentleman from Burin - Placentia West? I know he has a lot on his mind. I know he has other things he wants to say and we look forward to hearing them, to benefitting from his undoubted wisdom on the subject of social services and so many other items on which he is so well versed. I wonder if I could appeal to him for some protection? We have other speakers here who want to speak and could we have just a little protection from the Chair and a little give and take so that we can get on with the debate?

My point of order, Mr. Speaker, is the the gentleman for Burin - Placentia West, and I could use others, I could use the gentleman for Pleasantville (Mr. Dinn), the gentleman for St. John's North (Mr. J. Carter), the gentleman for

Belleve (Mr. Callan), have all during the past twenty minutes or so, while my friend has been speaking, breached the basic rules of this Chamber, and we really cannot participate in this debate very productively if that kind of thing is going to go on. I would ask you, Mr. Speaker, if you would show a little fairness.

MR. J. CARTER:
Make him shut up.

MR. SIMMONS:
Does the member for St. John's North want to say something?

MR. TOBIN:
Mr. Speaker, this is shocking.

MR. SPEAKER:
Order, please!

Would the hon. the member for Fortune - Hermitage please present his point of order?

MR. TULK:
Make your point of order, he says.

MR. SIMMONS:
Mr. Speaker, I will waive on it for now.

MR. SPEAKER:
To that point of order, there is no point of order.

MR. WELLS:
Mr. Speaker.

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

SOME HON. MEMBERS:
Hear, hear!

MR. WELLS:
Thank you, Mr. Speaker.

MR. TOBIN:

On a point of order, Mr. Speaker.

MR. SPEAKER:
Order, please!

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

MR. TOBIN:
Mr. Speaker, we just witnessed here in this House the member for Fortune - Hermitage (Mr. Simmons) wasting the time of the House on the Budget Debate because his leader was not in the chair to participate in the debate. The member for Fortune - Hermitage did what he usually does best and that is get up and attack people.

Now, Mr. Speaker, we just witnessed the member for Fortune - Hermitage, who last week had to apologize here in front of two of his federal colleagues, Mr. Speaker, had to apologize here twice last week, withdraw his comments three times and he ought to talk about conduct in this House, Mr. Speaker! If there is anybody in this House who constantly abuses the rules of the House, who has to apologize to the House more often than anyone else, it is the member for Fortune - Hermitage. He should not be permitted to waste the time of the House the way he just did.

MR. SPEAKER:
To the point of order. There is no point of order.

The hon. the Leader of the Opposition.

SOME HON. MEMBERS:
Hear, hear!

MR. WELLS:
Mr. Speaker, I am happy to have an opportunity to address this House through Your Honour on the

Budget.

I suggest, Mr. Speaker, we cannot really judge the acceptability of the minister's Budget Speech or the budgetary proposal given on the 29 of March this year without looking back at last year's budget and examining the present proposals and the present statement of policy and position in the context of last year's budget. That is essential to fully appreciate it, and the circumstances in which we were dealing with last year's budget and the kind of attitude the government was conveying at the time, promoted in the main by the Premier himself when he gave an interview to The Sunday Express in which he says this: 'I say that we have at the outside two years and then it is 1933 all over again.'

Now that was the gloom and doom that the Premier was preaching twelve months ago. That is the gloom and doom that the hon. the Minister of Finance was talking about, being preached by the Premier and the whole government last year. This was followed up later in a CBC interview after the Budget was delivered.

The Budget itself, Mr. Speaker, talks about, 'the Province is an increasingly difficult position.' Now this is last year's Budget. 'The Province is an increasingly difficult position. Our economy remains weak while other provinces strengthen and prosper. Our employment picture is a national disgrace.' All those statements are true, Mr. Speaker.

'This harsh assessment at the outset of our 39th year in Confederation is confirmed by an array of factual evidence which

allows us no other interpretation.' That was the hon. Minister of Finance of last March, now the present Deputy Premier (Dr. Collins). That was their judgement then of the state of affairs in Newfoundland.

'For the year immediately before us we anticipate extremely trying and testing circumstances, particularly for the financial status of the government itself in its role as the deliver of the vast bulk of public services needed by our people.' That was the gloom and doom that was preached last year, Mr. Speaker. That is the way they saw the state of affairs in this Province. That is how they judged the economy.

Now just take a look at this year's Budget. Here is the kind of thing you have. They are talking about the Province's strong economic performance. 'The position is improved because of the strong economic performance of the Province and continuing improvements in the provincial economy following full recovery from the recession of the early 1980s. Our economy will remain buoyant,' they say.

SOME HON. MEMBERS:

Hear, hear!

MR. WELLS:

'We brought this Province soundly through the trying years of recession in the early 1980s.'

SOME HON. MEMBERS:

Hear, hear!

MR. WELLS:

'Our policies have helped this Province enjoy one of its most prosperous years in 1987.'

SOME HON. MEMBERS:

Hear, hear!

MR. WELLS:

Now, I know, Mr. Speaker, there were two different ministers, but those are two different countries, two different worlds they are talking about. Which one was telling the truth? They could not both be accurate at the same time.

Look at what the Premier is saying now. It is a different story he has been preaching now. Recent statements talk about the success of economic development and job development strategies. 'The programs and policies of the government are delivering the goods,' he says.

SOME HON. MEMBERS:

Hear, hear!

MR. WELLS:

This was earlier this month. 'Economic Growth and major gains being experienced in the last two years are continuing.'

SOME HON. MEMBERS:

Hear, hear!

MR. WELLS:

Now, twelve months ago, the then Minister of Finance (Dr. Collins) was saying what a desperate circumstance we were in, and here is the Premier this year saying that the economic growth of the last two years are continuing. They were talking about the same period of time then. Which one is accurate? Whichever is suited to the moment is the answer.

MR. TULK:

That is right.

MR. WELLS:

It is a concoction created to satisfy the political whim of the moment, whichever direction they

want to go in at the moment.

The budget is not an accurate assessment of our financial or economic state, not at all an accurate assessment of our financial and economic state.

The budget, Mr. Speaker, as last year, was concocted to facilitate the position the government wanted to take to brow-beat the Government of Canada because of the desperate financial circumstances we were in. Then, when they saw it was not working - we are getting closer to an election - notwithstanding there was no significant change, everything is rosy, when in fact, economically, we were worse.

I have examined those two budgets and I have examined the year in between and looked at the economic facts. There is only one reasonable conclusion, that the conclusions and positions taken by the Minister of Finance in this budget are not justified. They are not an accurate representation of the true state of the economic affairs of this Province.

For that reason, Mr. Speaker, I am going to move, seconded by the hon. the member for Fogo (Mr. Tulk), that all of the words after the word 'that' be struck and replaced with the following:

'That this House condemn the government for its failure to accurately represent the true state of the economy of the Province and the government's consequential failure to take appropriate budgetary action to deal with the real problems.'

Mr. Speaker, to judge whether we should vote for that amendment or give approval to the minister's

budget, let us take a look at the 1987 statistics and see what happened between those two budgets.

That budget found the present Deputy Premier concluding that, 'The Province is in an increasingly difficult position. Our economy remains weak while other provinces strengthen and prosper. Our employment picture is a national disgrace.'

In order to approve of the minister's budget, you will have to find that there is a 180 degree turnaround from that position described by the Minister of Finance of last year. Now, just take a look at the facts and see whether it supports the minister's motion or my amendment.

Just look at one fact: The direct debt alone increased by 6.4 per cent in one year, by \$200 million our direct debt of last year increased. That is \$352 for every man, woman and child in this Province. That is what we did to our direct debt in that year, 1987, and the Minister of Finance now talks about the great shape we are in, when we added to our debt burden for every man, woman and child \$352.

AN HON. MEMBER:
(Inaudible).

MR. SPEAKER:
Order, please!

MR. WELLS:
Thank you, Mr. Speaker.

Our direct debt, Mr. Speaker, apart from what we are liable for on guarantees and indirect debts, such as Hydro and the Municipal Finance Corporation, is up now to \$5,472 for every man, woman and

child in the Province.

The total public sector debt is up now, Mr. Speaker, to \$8,000 for every man, woman and child in the Province. They added \$300 to it just last year alone.

MR. TULK:
Scandalous! Scandalous!

MR. WELLS:
You would not mind, Mr. Speaker, if we had something to show for it.

MR. TULK:
That is right.

MR. WELLS:
What do we have today to show for that increased debt of \$200 million? Absolutely nothing that the government achieved in the last twelve months to show for it. It is spent on operating expenses, trying to keep hospital beds open, schools functioning, and failing even at that.

The unemployment rate, Mr. Speaker, that the minister twelve months ago called a national disgrace is still a national disgrace and was a national disgrace for the whole of 1987, notwithstanding what the Minister of Finance now says.

True, Mr. Speaker, it dropped by, I believe, 1.4 percentage points on the year. It did, indeed, drop by 1.4 percentage points. Statistically that is accurate, but only as a statistic. The real situation that flows out of it did not improve at all. But, it is an undeniable fact that is dropped by 1.4 per cent, but the lot of Newfoundlanders was no better as a result of it, and I will tell you why.

It may be true to say it dropped

by 1.4 per cent. That is an undeniable fact. It is the conclusions the Premier and the Minister of Finance have been drawing from that fact that are totally wrong and totally incorrect. They convey a totally inaccurate picture of the state of our economy.

When you compare, Mr. Speaker, our performance in terms of our unemployment rate with the performance of the nation, you will see clearly we have performed poorly and the Province is infinitely worse off in relation to the rest of Canada now than it was last year. At the time the minister brought in his budget, we were worse off than we were, in relation to the rest of Canada, than when the former Minister of Finance brought in the budget the year before. Yet, the minister stands in the House and talks about the great economic gains and the great improvements. That is totally, Mr. Speaker, inaccurate!

When you look at it and look at the figures in April and May of this year, the latest figures we have are for the month of May. They came out earlier this month. Our unemployment rate in the month of May, despite the great claims of progress, was 2.21 times the national average, more than twice the national average by nearly a quarter. This time last year it was only twice the national average. We have gotten that much worse than the rest of the nation, and the Premier and the Minister of Finance stand in the House and try to tell the people of this Province that we are making great economic gains; we are having terrific improvement compared to the rest of Canada; we are performing far better than the rest of Canada; no other part of

Canada performed the way we did. It is totally and clearly wrong, Mr. Speaker.

Even the government's own labour bulletin indicates that that is wrong. If you look at those comments, contained in the first page of that document, which is an official publication of the Department of Labour of this Province, in speaking about the unemployment rate they say this: "The unemployment rate for the Province in March was 21.9 per cent, which is an increase of 2.3 points over the January figure." Now, in each of the months of February and March the Premier was standing in this House talking about the significant improvement when, in fact, the government's own statistics say he was wrong, it got worse by 2.3 percentage points. They then compare it to the nation as a whole. This compares with an increase of .1, in other words, one tenth of 1 percent, in the national rate from 8.9 in January to 9.0 in March.

Now that is how we are performing by comparison with the national rate. But the Minister of Labour now wants to denounce this document. He does not like it. He does not like what it says. He does not like the accurate conclusions that are drawn from it because he wants to convey another image, that we are doing well in this Province, when, in fact, just the opposite is true. And all the other facts, Mr. Speaker, indicate quite clearly how poorly the economy is performing.

Now, Mr. Speaker, our unemployment rate, for the five months of this year that we have to date, has averaged two and a quarter times the national average unemployment rate, yet, they stand and say how

much better we are doing and why the minister brought down his budget and budgetary proposals and made his statements as he did about the terrific increase and improvement in the Province's economic situation. He says, "This past year was marked by continuing improvement in the provincial economy, following full recovery from the recession of the early 1980s."

It is totally inaccurate, Mr. Speaker, and conveys totally the wrong impression to our people. The reality is, relative to the rest of the nation, we are getting worse. Make no mistake about it! You have to ask the questions, Mr. Speaker, do those comments accurately reflect the real situation in this Province? Do they tell our people what the real situation is so that our people can properly judge what to do, how to plan, where to go, can properly judge whether they stay in this Province or leave because of the desperate economic situation the government has created?

Now, Mr. Speaker, I did say it is true that our unemployment rate was reduced by 1.4 percentage points in that year. That is accurate. It is an undeniable fact. We still got worse in relation to the rest of Canada, but it is accurate that from 1987 to 1988, during the course of the year 1987, our unemployment rate generally reduced, on average, 1.4 per cent. Now, that is generally an accurate fact, but does it indicate that things have improved? And if they did not improve, how is it that that unemployment rate reduced? Mr. Speaker, I will tell you how it is. There are two factors that explain it. One is what has happened to our population. When

you look at the figures, they are startling. This is the fourth straight year of declining population. No other province of Canada has a declining population. This is the fourth straight year for Newfoundland. We have fewer people in this Province right now than we did in 1981, seven years ago. We have fewer people here now than we did in 1981. And if the decline continues, Mr. Speaker, for the balance of this year at the same rate that it has been declining in the first quarter of this year, we will have fewer people in this Province than we had when this government, headed by this Premier, took office. That will be their legacy to this Province. Talk about taking us backwards! That is what they have done, they have led the way backwards, driven eighteen thousand people out of this Province in the last three years so that they could have an opportunity to seek a living for their families with a measure of dignity and self-respect. In the last three-and-a-quarter years, 1985, 1986, 1987 and the first quarter of 1988, Newfoundland's population went down by 5,600, actual decrease in numbers.

Now, look at what happened in P.E.I. Little P.E.I. increased by 3,000 in the same period of time, New Brunswick by 4,500 in the same period of time, Nova Scotia by 17,000 in the same time. Now, if those provinces had a declining population as well, we could say, yes, it is the national recession, it is the international situation that is causing it. But every other province of Canada is increasing. Our sister provinces, the Atlantic Provinces, are increasing. What is different about us? I will tell you, Mr. Speaker, what is different about

us: It is the government and its policies and its attitude that has destroyed the economy of this Province in their term of office. That is what is different about us.

MR. TULK:
Right on!

SOME HON. MEMBERS:
Hear, hear!

MR. WELLS:
Mr. Speaker, when you add to our loss of 5,600 the number 13,100 by which our number of births exceeded our number of deaths, then you come to the figure of the number of people we have driven out of this Province as a result of government's policies and attitude, 18,700 in the last three-and-a-quarter years.

Now, that is one explanation as to how the unemployment rate dropped, you drive them out of the Province and then they are no longer unemployment statistics. That is how you get your unemployment rate down. That is how this government has done it. They drove 18,700 of them out of the Province, that is how they did it.

There is another method they use, Mr. Speaker, one that I call 'the social assistance diversion', the sad method, and they have used that extensively in the last two to three years.

They have been diverting social assistance recipients from social assistance to unemployment insurance by what some people call the Loto 1042.

MR. TULK:
That is right.

MR. WELLS:
That is the common name you hear

on it in the streets, the Loto 1042; if you are lucky enough to get assigned to one of these ten week make-work projects, you can get unemployment insurance for the next forty-two weeks.

MR. TULK:
That is economic development.

MR. WELLS:
Also, in addition to diverting it and increasing the number of unemployment insurance recipients, the result is you inflate the number of people employed and lower the number of people unemployed. That is the second method you use to artificially reduce your unemployment figures and make it look as though you have done something.

When the Premier made the claim that he did in April of this year when he said 'The economic growth and employment gains experienced during the last two years in this Province are continuing in 1988,' that is what he was talking about, the Loto 1042, Mr. Speaker.

MR. TULK:
The sad program.

MR. WELLS:
The Sad Program. The social assistance diversion program. But you cannot do that, Mr. Speaker, without leaving a trail behind that can be tracked down. There is a sure way to spot it. If the improvement in the employment were genuine, if we were genuinely creating new jobs for our people, then the number of people receiving unemployment insurance would decrease. It is axiomatic. You do not have to be an economic genius to figure it out. If you are creating genuine new jobs and increasing the number of people in the Province who are properly

employed on full-time jobs, you would reduce the number of --

MR. J. CARTER:
(Inaudible).

MR. WELLS:
Well, it is too bad the member cannot think.

- of people receiving unemployment insurance, particularly, Mr. Speaker, where, at the same time, you are driving thousands of others out of the Province.

MR. TULK:
Right on.

MR. WELLS:
You would reduce the number. But what have we been doing? We have been increasing the number on unemployment insurance. If our numbers of persons receiving unemployment insurance had been going down, as has happened in Nova Scotia, New Brunswick, PEI, and the other provinces, but those are the ones most comparable to us and those are the ones I have been using, so let me give you the figures, Mr. Speaker: In PEI, during that three years that the Premier was talking about, the number dropped by 308; in New Brunswick in that period the number of unemployment insurance recipients dropped by 2,362, and in Nova Scotia it was down by 2,970. Now, in the meantime, when they were lowering their number on unemployment insurance, you have to remember, Mr. Speaker, that they were also increasing by thousands the number of people in the Province.

MR. TULK:
Where was this?

MR. WELLS:
In PEI, in New Brunswick, and in

Nova Scotia.

They were creating real jobs and giving employment to their people. But look at Newfoundland. What happened to the number of unemployment insurance recipients in Newfoundland in those three years? We increased them by 2,035 in the same period of time when we drove 18,000 others out of the Province. That is how lower your unemployment insurance rate. That is what explains it.

MR. J. CARTER:
Would the hon. member permit a question?

MR. TULK:
No, I would not. I have learned my lesson with the member. He is not accurate when he represents what he is going to do, so I will not permit it.

Those figures are undeniable facts and figures provided by Statistics Canada. They are undeniable facts and figures, and there is no other logic or reasonable conclusion to draw from it. And, Mr. Speaker, there are a lot of other facts that prove the point beyond the shadow of a doubt. If we were doing so well, Mr. Speaker, why is it that there have been 30,000 more people added to the numbers that are living below the poverty line in the same period of time? Why, Mr. Speaker?

MR. J. CARTER:
Mr. Speaker, the Leader of the Opposition.

MR. FUREY:
Is this a point of order?

MR. WELLS:
Is this a point of order?

MR. J. CARTER:

Yes, it certainly is.

MR. SPEAKER:

A point of order, the hon. the member for St. John's North.

MR. J. CARTER:

The leader of the Opposition is misleading this House of Assembly. Now, he is not doing it intentionally. I am not suggesting any motives, but I do say he is misleading this House of Assembly.

He knows very well that if there are a great many new jobs created, unless those jobs are full-time, fifty-two weeks of the year, then there will be a lot of people who will qualify for unemployment insurance. So it follows that the fact that the number of people receiving unemployment insurance goes up is not necessarily a reflection of the amount of unemployment in the country. Now, that is a fact.

MR. SPEAKER:

There is no point of order, just a difference of opinion between two hon. members.

The hon. the Leader of the Opposition.

MR. WELLS:

Thank you, Mr. Speaker.

Now he is running away from the truth. He has an aversion to the truth. The truth is, Mr. Speaker, if you are creating full-time jobs for your people, you are not increasing the unemployment insurance roles. I do not know what he is getting at. He is not getting at anything sensible, it was just an attempt to divert. When they hear the truth, they divert. This is the tactic. You

always know, or at least I always know, when we are scoring an effective point and making it clear, then the diversionary tactics start, such as that just practiced by the hon. member for St. John's North.

Mr. Speaker, in addition to -

SOME HON. MEMBERS:

Oh, oh!

MR. WELLS:

Mr. Speaker, I will just simply wait until there is quiet in the House and then I will continue on. If they want that to be the whole week, then, that is okay, it will be the whole week.

MR. SPEAKER:

Order, please!

MR. PEACH:

(inaudible) control the whole House, boy, what do you think you are doing? Harry Steele controls you.

MR. SPEAKER:

Order, please!

MR. WELLS:

Thank you, Mr. Speaker.

Now, Mr. Speaker, having explained two of the reasons why it is clear that they can stand and say, 'Yes, there was a drop of 1.4 per cent in our unemployment rate' - and that is true - how was that done and what are the consequences of it? Can we fairly draw the conclusions that they have asked us to draw? The answer is no, because we have driven tens of thousands of our people out of this Province to achieve it, and we have diverted more onto the unemployment insurance roles. That is how we have achieved it.

MR. TULK:

The truth is it has gone up.

MR. WELLS:

The truth is it has gone up.

Mr. Speaker, at the same time, for those who are working or otherwise, we have greatly increased the percentage of our population that is living below the poverty line.

Just to give you the figures, Mr. Speaker, for 1981 and 1986. It was in the poverty report for Canada issued in May, **Poverty Report '88** I think it is called, here is what the figures indicate: They show the two census years, 1981 and 1986.

In 1981, 15 per cent of PFI families were living below the poverty line. That was reduced by 1986 to 9.8 per cent. Nova Scotia reduced theirs from 15.4 per cent to 14.5 per cent. New Brunswick and Newfoundland were in about the same boat in 1981. New Brunswick was slightly worse than Newfoundland in 1981, they had 17.6 per cent of their families living below the poverty line.

Newfoundland was 17.4 per cent, just a little bit less than New Brunswick. But what did they do by 1986, Mr. Speaker? New Brunswick's had been reduced to 14.3 per cent and Newfoundland's was driven to 21.2 per cent.

SOME HON. MEMBERS:

Shame! Shame!

MR. WELLS:

It was 50 per cent worse than New Brunswick five years later. That is how well this government has performed. That is what they have achieved in this Province. They have devastated the economy in

this Province. That has the effect of adding more than 30,000 to our roles of people living below the poverty line. That is what that does to us, Mr. Speaker. That is the percentage of our families, but the actual percentage of our people living below the poverty line is 22.8 per cent.

MR. J. CARTER:

That is not true.

MR. WELLS:

They do not like truth. They have a real aversion to truth and they do not like to hear it. They want to call it lies, and they concoct and fabricate, like this so-called letter from Mr. Pickersgill. The minister stood in the House today and said, 'signed by the government when the leader of the Opposition was a part of it.' That is an outright fabrication, totally false. In fact, I have it, I have seen it, and I talked to Mr. Pickersgill, so I have the truth about it. It was an agreement made in 1964 when I was not even in the Province. Now, I might have been working on the Trojan horse at that time, but I was not in the Province. In 1964, Mr. Speaker, that was when that was done. Mr. Speaker, let me tell you when the Argentinia line was closed. In December 1986, by that hon. minister who was then minister responsible for Transportation. How is that for misleading the House? They know what they are doing every time they concoct things like this. It is no trouble to figure out what they are doing. It is no trouble to tell when a point is made and when they feel gross discomfort.

Mr. Speaker, having greatly increased the number of people on unemployment insurance, and driven

thousands of our people out of the Province, and put tens of thousands more below the poverty line, they are still not satisfied.

The minister says they are not true. When you look at those statistics, produced by Statistics Canada, and he can laugh if he likes, but when you look at those statistics, Mr. Speaker, it shows clearly that this government has presided over the devastation of our economy.

MR. J. CARTER:

A point of order, Mr. Speaker.

MR. SPEAKER:

A point of order, the hon. the member for St. John's North.

MR. J. CARTER:

The leader of the Opposition is no stranger to Statistics Canada and the forms they send around. My point of order is that he is again, unintentionally, I am sure, misleading the House. The reams, and reams, and reams of forms that come from Statistics Canada you know darn well are falsified, because to fill them out accurately would require more time than there is at everyone's disposal. So they have to be inaccurate. It is rubbish! Rubbish! Rubbish!

MR. SPEAKER:

There is no point of order.

The hon. the Leader of the Opposition.

MR. WELLS:

Mr. Speaker, what about the Minister of Labour, the member's own minister? Here is his report. That is all wrong too, is it?

MR. FUREY:

It is rubbish!

MR. WELLS:

So they say it is all wrong. They do not like truth. They have an automatic aversion to truth. Every time it is mentioned, they run and hide, or shout point of order, or distort.

MR. J. CARTER:

When we hear rubbish we object.

MR. WELLS:

They do not like the truth. Mr. Speaker, the people of this Province are going to be told the truth. They are going to find out the reality about this government and what they have done.

MR. TULK:

Even better than they know it now.

MR. WELLS:

Mr. Speaker, the hon. the Premier formed this administration in 1979. Allow a few months or a year or so for the policies and attitudes to have impact, and then look at every single economic indicator without exception. Every single economic indicator has been going down hill since 1981, every one, and there is not an exception to it, and they are published in last year's budget; they are published in the economy document published with this year's budget, they are published in these figures published by the Department of Labour; all of the Statistic Canada figures indicate it. Every single economic indicator has gone down, and during those same years, the same indicators in the Maritime provinces have gone up.

Now, Mr. Speaker, to what do we attribute the devastation of our economy, the difficult financial situation in Canada or the inept

performance of this government? It is clear what it is, Mr. Speaker. Their attitude and their policies have devastated the economy of this Province. They have set about single-handedly to destroy it, in effect. It may not have been their intention, but it has been the effect of their approach, it has been the effect of their policy, it has been the consequence of their attitudes.

In that period of time, our population has stood still or decreased - in that five years. Our number of people unemployed increased by 13,000, our unemployment insurance recipients increased by 22,000 in that period of time, between 1981 and now. That is what they have done. The number of persons living below the poverty line has increased by more than 30,000. That is what they have done.

AN HON. MEMBER:
That is not true.

MR. WELLS:
That is true. The figures are all there. The minister sits there and I suppose he is going to tell me it is not true that he is projecting less revenue from provincial sources than was realized last year. I suppose you are going to tell me that is not true, too.

MR. WINDSOR:
Misleading.

MR. WELLS:
Misleading! The truth hurts. The truth clearly hurts.

It is no wonder, Mr. Speaker, that our total revenue from provincial sources is projected by the Minister of Finance to be less in this coming year than it was last

year, the first year that that has happened. You cannot drive 18,000 people out of the Province and expect to keep your revenues up. You cannot put 30,000 more people below the poverty line and expect to keep your governmental revenues up.

MR. WINDSOR:
Was that before or after special aid? Special income tax here that one time (inaudible).

MR. WELLS:
You are probably talking about the sale of FPI shares.

MR. WINDSOR:
Right.

MR. WELLS:
I am talking about the total capital revenue shown in exhibit three. It is clear what it is, and I have no doubt that the additional amount in provincial sources in capital revenue shown last year is attributable, I assume, primarily to the sale of FPI.

If you take out the sale of FPI, it means they would have had a gain of about \$20 million - big deal! - on \$1.3 billion. But the reality is, Mr. Speaker -

AN HON. MEMBER:
That is not less, is it?

MR. WELLS:
Yes, it is less. Well, here are the minister's figures: This coming year his revenue from provincial sources is expected to be \$1,318 million, his revised figures for last year, \$1,343 million.

Now it may be that he will realize more this coming year and his projections will not be true, he

may realize another \$40 or \$50 million, I do not know. That is a possibility. But it may be that he will realize a lot less.

MR. TULK:

It is not impossible with this crowd.

MR. WELLS:

It may be that he will realize a lot less, too.

MR. TULK:

Their projections are like the weather forecasts.

MR. WELLS:

Too bad! They are very uncomfortable and kouchy and testy when the truth hurts, when the needle jabs.

MR. SIMMONS:

You would be too, if you were where they are in the polls. You would be touchy, too, if you had their polls.

MR. WELLS:

That kind of lowering of provincial revenue you can look at another way, Mr. Speaker. Just look at it relative to federal revenues. I think that is shown in Exhibit 10. Yes, this is the figure if you want to see the reality to prove what I am saying is correct.

You see, Mr. Speaker, as the Minister of Finance knows, when the economy is performing well we get less in tax equalization; the tax equalization takes into account the performance of our economy. When our economy is performing much worse than the rest of the nation, we get more in equalization. So just look at what is happening.

MR. J. CARTER:

That is not strictly true, is it?

MR. WELLS:

They do not like that truth either, Mr. Speaker. There are not many truths they do like.

Last year, Mr. Speaker, the revised estimates of the Minister of Finance indicates that 48.6 per cent of our total revenue came from provincial tax and revenue sources. Do you know what is expected this year, Mr. Speaker? That it is going to drop to 45.1 per cent; it is going to drop 3.5 percentage points.

MR. J. CARTER:

On a point of order, Mr. Speaker.

MR. SPEAKER:

A point of order, the hon. the member for St. John's North.

MR. J. CARTER:

The Leader of the Opposition is again misleading the House. He knows, or he ought to know, and he can certainly find out if he does not know, that the equalization formula is always under, shall we say, "attack" - I use that in quotation marks - because it is being renegotiated and changes are being made. Sure, changes in our economy would make changes in the equalization formula, but there are also changes being made in the formula itself. So, again, the leader of the Opposition is misleading.

MR. SPEAKER:

There is no point of order.

The hon. the Leader of the Opposition.

MR. WELLS:

Thank you, Mr. Speaker.

The member insists on doing that.

MR. J. CARTER:

Well, I certainly do.

MR. WELLS:

I do not know what he thinks he achieves by it.

Mr. Speaker, to avoid having that interfere with the smooth flow of what I was saying, I have got to go back to the point where I was before he interrupted me. What I was saying, Mr. Speaker, was if you want to assess the extent to which this economy is performing, if you want to determine whether it is performing the way the hon. the Premier and the Minister of Finance now say it is performing, or if you want to determine whether it is performing the way the former Minister of Finance said it was performing, if you want to see who is right, look at the revenue from provincial and federal sources, look at what is happening. Because when our economy performs well, the revenue goes up from provincial sources. When it performs poorly it goes down and the revenue from tax equalization goes up, because that is what it is for, that is its purpose.

Now, Mr. Speaker, just look at the situation. Last year, this Province realized 48.6 of its total revenue from provincial sources.

This year, the Minister of Finance projects it is going to be 45.1 per cent. That is 3-1/2 percentage points lower. But, Mr. Speaker, that is not the whole story.

The whole story is, that is an 8 or 9 per cent poorer performance, because 3-1/2 percentage points of 48 is about 8-1/2 per cent. That is what that represents, Mr.

Speaker, and you have to bear that in mind as well. It is not just down 3 percentage points, it is down 8-1/2 per cent from what it was before. That is the effect of it.

Now, Mr. Speaker, look at where the extra money is coming from this year. From federal sources last year, Mr. Speaker, it was 42.8 per cent. This year, it is projected to be 46 per cent, up another 3.2 per cent in tax equalization. That says how the economy is performing. Those are the bottom lines that the minister and the Premier cannot challenge, those, and the fact that 18,000 of our people have been driven out of the Province and 30,000 more are living below the poverty line. Those are the unchallengeable, undeniable bottom lines that indicate clearly, Mr. Speaker, how the minister has been performing and how the government have been performing.

MR. TOBIN:

That is where all this is directed. The Press Gallery is right full up there.

MR. J. CARTER:

Has the member never tried (inaudible).

MR. WELLS:

The member says not to worry about it, do not worry about it. They will be back tomorrow.

MR. TULK:

Or if not, next week.

MR. WELLS:

Or if not, next week.

I suggest, Mr. Speaker, that the minister's own projections of the sources of revenue and his own projections of the revenues

expected to be derived from the provincial economy say very clearly what the minister really thinks of the performance of our economy, and it is not what he said in the budget. The bottom line he wrote on the figures says quite clearly that his statement in the budget was just political words because it was the political thing to say for them at this time. That is not the reality with which this Province is faced.

That is the reason for this amendment, Mr. Speaker, because the Budget Speech of the hon. minister does not accurately reflect a fair and accurate assessment of the economy of this Province. As a result, the minister's budgetary proposals are not well-founded.

Clearly, Mr. Speaker, the Budget Speech is a concocted document, created for the political end to be achieved in this year as opposed to the political end to be achieved last year when it was desirable for the then Minister of Finance to preach doom and gloom and what desperate circumstances we were in.

There has, in fact, Mr. Speaker, been no change over 1986 to warrant that 180 degree turn in assessment of the economy. The two ministers are going in totally opposite directions in their description of the economy and there is nothing that happened during the year 1987 which justifies that difference in the two positions. The two positions do not, therefore, accurately reflect an assessment of the economy of this Province or our alternatives or opportunities which lie ahead of us.

Mr. Speaker, you cannot adequately deal with problems, you cannot develop proper budgetary proposals to deal with problems if you are not even prepared to admit the problems exist. If you are prepared instead to delude yourself and give totally the wrong impression and conclusions to others, then you can avoid dealing with the problems, and that is what this government has been doing, essentially.

The Minister of Health (Dr. Collins), the Deputy Premier says there is no problem with the hospital beds. Everything is normal. The Minister of Education (Mr. Hearn) says, there is nothing wrong with our education system. It is just their misfortune of geography. He attributes it all to the misfortune of geography. There is no problem. As long as the government is prepared to take that position and refuse to admit or acknowledge problems do exist, they cannot possibly develop solutions to the problems.

There has been, Mr. Speaker, as I said, a steady downward trend which set in shortly after the Premier formed this administration in 1979. It set in by 1980, 1981, and there has been no change since, even though, Mr. Speaker, prior to that time we were performing much better than the other Atlantic Provinces. The growth in our earned income, our unemployment situation was performing at much better than the other Atlantic Provinces, even though we were improving our position in years before that.

MR. J. CARTER:

What did the interest rates do in 1982? You know darn well what they did.

MR. WELLS:

Sure I do, and the people of Nova Scotia and New Brunswick and PEI know what they did too. And they suffered from the same interest rates. That is what I am saying.

If there were exterior factors, if the Bank of Canada applied a different interest rate to Newfoundland than it did to Nova Scotia or New Brunswick or PEI or there were other exterior factors, I could understand it. But the only thing that is different is this government, that that hon. member has allowed to sit in office, has supported in office for all those years, and he has contributed to it and is as responsible for it as any member of the Cabinet.

MR. SIMMONS:

Hear, hear!

MR. WELLS:

Now, he can sit and laugh and joke about all of these things and make these supercilious statements if he wants to, and think he is amusing the public. But I can tell you, the electors of St. John's North and the electors of this Province are not amused by it!

They are not amused by putting 30,000 of them more below the poverty line, by driving 18,000 of them out of the Province to make a living with dignity and self-respect. They are not amused by that! And the member and all of the others sitting on that side will discover that when they have the gumption to call an election.

SOME HON. MEMBERS:

Hear, hear!

MR. WELLS:

They see what the people will

think.

The government says, as this hon. member for St. John's North (Mr. Carter) is now trying to indicate, that it is other economic factors, interest rates, world recession and all of those things, that is what caused Newfoundland's problem. But, of course, PEI and Nova Scotia and New Brunswick were totally sheltered from that. They are not subject to that at all.

It is solely, Mr. Speaker, a product of the attitude and policies of this government and it is demonstrable on all of the economic indicators. It started within months of this government taking office and it has not altered since. Every single economic indicator is going down. And yes, there has been a minor improvement in the last two years in the unemployment rate. But you know how that is done? You drive thousands out of the Province and you divert others to unemployment insurance. That is how you do that and they have done it.

MR. J. CARTER:

(Inaudible) Newfoundland, you know that. One of our biggest exports has always been people. It has been that way for over 100 years.

MR. WELLS:

But in every year since Confederation, our population has increased other than the last few years.

MR. J. CARTER:

(Inaudible).

MR. WELLS:

And people are not having babies any more, I guess.

There were 13,000 more births than deaths in this Province in the

last three years. Where are those 13,000? Where are they? Did you drive them to Ontario or Alberta?

MR. J. CARTER:

They have always been going away, you know that.

MR. WELLS:

You know, they have been gone away. Sure.

AN HON. MEMBER:

Resettlement, resettlement.

MR. WELLS:

Our earned income figures, Mr. Speaker, demonstrate clearly

MR. TOBIN:

(Inaudible) when you were with Joe Smallwood?

MR. WELLS:

Another fabricator.

MR. FUREY:

He is a Minister of the Crown.

MR. WELLS:

Mr. Speaker, just look at the figures that demonstrate our growth in earned income since 1949.

It makes clear what happened. In the years from 1949 to 1971, which years happen to coincide with the last Liberal administration, in those years, Mr. Speaker, in which I had a very minor part during 1966 and 1967, until May of 1968 -

MR. TULK:

Do not forget you were governing from Dalhousie somewhere in 1964 and 1965.

MR. WELLS:

Yes, but that was before I handled the Trojan horse.

MR. TULK:

Oh! That was it, was it?

MR. J. CARTER:

Have the courage to (inaudible).

MR. WELLS:

Mr. Speaker, when you look at those figures from 1949 to 1971, you see that not only did we outperform the Maritime provinces, we outperformed the nation as a whole. That is what they show. They are very clear.

MR. J. CARTER:

There was a tremendous infusion of capital by the Diefenbaker Government. (Inaudible).

MR. WELLS:

Yes. Term 29.

SOME HON. MEMBERS:

Hear, hear!

MR. WELLS:

He did a great job, did he not?

MR. TOBIN:

Diefenbaker built the Marystown Shipyard.

MR. TULK:

Oh, yes! I saw the hammer and saw down there.

MR. WELLS:

Mr. Speaker, in those twenty-three years or twenty-two years, from 1949 through to 1971, we outperformed not only the Atlantic provinces but we outperformed the nation. On average, over those twenty-three years, we performed at 107 per cent of the national rate of growth in earned income. We performed that much better.

The Maritimes by comparison were, for part of that time, below 80 per cent of the national rate, if you take the nation at 100 per cent. They were below 80 per cent

of the nation and we were performing over all of that time at 107 per cent of the national rate.

Mr. Speaker, let us look at those other years, from 1972 to 1978, when Mr. Smallwood - Mr. Speaker, I better go back and start again because I have been interfered with by the hon. member and I do not want the train of thought to be lost.

MR. J. CARTER:

We will give you leave.

MR. WELLS:

If you go back and look at the years from 1949 to 1971, those twenty-three years, we outperformed not only the Atlantic provinces, but we outperformed the nation as a whole, performing at 107 per cent of the national rate while the Maritimes were performing at 80 per cent of the national rate in the growth in earned income. That is the real test of performance, because that measures what is produced as a result of work and effort, not unemployment insurance and not social assistance and not pensions and so on. It measures real performance. That is what it measures.

Now, Mr. Speaker, let us look at the years from 1972 to 1978, when the government of this Province was headed by one Frank D. Moores and it was a Progressive Conservative administration.

To give Mr. Moores his due credit, he performed at essentially the same rate as Newfoundland performed in the Smallwood years, about 2 percentage points less, at 105 per cent of the national rate, but still much better.

MR. TULK:

Not bad for a Tory government.

MR. WELLS:

Not bad for a Tory government. It probably reflects the number of liberals that were participating in it, Mr. Speaker.

At the same time, Mr. Speaker, the Maritimes improved their position considerably. They went up during that period of time to over 90 percent of the national rate.

Now, Mr. Speaker, let us take a look at what happened in the nine years that this administration has been governing Newfoundland.

MR. TOBIN:

We had one leader in nine years.

MR. WELLS:

That is too bad. Look at the mess he has made.

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

Order, please!

MR. WELLS:

It is too bad you could not get somebody competent. It is too bad you could not attract somebody competent, because look at what has been done, Mr. Speaker. Newfoundland now is performing during this administration at 90 percent of the national rate. We have dropped from 107 down to below 90 percent of the national average.

MR. J. CARTER:

Statistics Canada, no doubt.

MR. TULK:

Where do you get those figures?

MR. WELLS:

From the Newfoundland Statistics Agency, those figures came.

MR. J. CARTER:

They are not much better either.

SOME HON. MEMBERS:

Hear, hear!

MR. WELLS:

No, nobody who tells the truth is any good. What an aversion to truth! I have never seen such an aversion to truth. The truth hurts! It hurts terribly and I can see why, because that hon. member for St. John's North has been sustaining this government in office all of these years, and no wonder he is ashamed of it.

The Maritimes, Mr. Speaker, in the same nine years are now performing at 103 percent of the national rate in growth in earned income. There has just been a total reverse! We have gone down and they have gone up. How? Why? Does the sun shine brighter there? Is that it?

MR. TULK:

No, otherwise they would have Sprung.

MR. WELLS:

Maybe that is right.

Why? What is different? Mr. Speaker, I ask hon. members to ask themselves this question: -

MR. J. CARTER:

Do you want me to tell you what is different?

MR. WELLS:

What is different about Nova Scotia, New Brunswick and Prince Edward Island which makes our performance during this administration so terrible by comparison? Why did it only occur

when this Premier took office? And why has it happened continually since this Premier has been in office?

MR. TULK:

You have answered the question.

AN HON. MEMBER:

(Inaudible).

MR. WELLS:

He can answer the question when it is his turn to speak.

MR. J. CARTER:

I sure will.

MR. WELLS:

Ask that question, Mr. Speaker, what is there different? And the answer is, this administration, and that is all. Nothing else is different. No other economic circumstances, or factors are different. We have more resources to offer and more opportunity if we had the good sense to manage it properly and do it right.

They have devastated the economy of this Province, every single economic indicator proves it, Mr. Speaker, beyond a shadow of a doubt. Yet, Mr. Speaker, the Premier stands in this House, as he did recently, and says, 'These figures are indicative of the success of my administration's economic development job strategy policies, so clearly demonstrated in the provincial budget presented in this hon. House on March 29th.' What a deception that is!

We have got to look at the reality, Mr. Speaker, and I am confident that when our people do, they will tell this government where to go at the first possible opportunity.

SOME HON. MEMBERS:

Hear, hear!

MR. WELLS:

The Minister of Finance is about the same. He reads his budget and he says, 'We brought this Province soundly through the trying years of recession in the early 1980s. Our economic policies have helped this Province to enjoy one of its most prosperous years.' God help us, if that is what they call prosperity and we ever have anything less than prosperity!

Mr. Speaker, we have been going down hill since 1980-81, going down hill steadily.

MR. J. CARTER:

That is not true.

MR. WELLS:

Let me tell the hon. member the extent to which he is right. He is living a sheltered life in the St. John's metropolitan area where there is no evidence of it because, in the same period of time, when 18,000 people have been driven out of this Province, when our population had decreased by 5,600, the population of the St. John's metropolitan area has increased by about 5,000. We have devastated the economy of rural Newfoundland! We have destroyed rural Newfoundland!

MR. TULK:

Right on!

MR. J. CARTER:

On a point of order, Mr. Speaker.

MR. SPEAKER:

A point of order, the hon. the member for St. John's North.

MR. TULK:

He cannot take the truth.

MR. J. CARTER:

Again, the Leader of the Opposition is misleading the House. He knows full well my operations are not confined to St. John's North and that I operate a business that is not only Island-wide, but all over the Maritimes, so I have feelers out far beyond the boundaries of St. John's North. All the indicators to me are that our economy, and the economy of the Maritimes, is improving, and is improving steadily over the last five or six years, so that gives the lie to that.

Never mind this garbage about Statistics Canada! People do not got the patience to fill out these lunatic forms!

MR. SPEAKER:

Order, please!

There is no point of order.

The hon. the Leader of the Opposition.

MR. WELLS:

This is the fifth time and there has not been one in any one of the occasions, Mr. Speaker.

MR. J. CARTER:

There might be five more times yet.

MR. WELLS:

Let me just go back now and make that point again because I do not want the hon. member to fool it up.

Mr. Speaker, during the same period I am talking about, when you look at the gross domestic product growth in the four provinces concerned, P.E.I., piddly little PEI, grew by 18.6 per cent. It is physically the size of the Avalon Peninsula and has a population smaller than the Avalon Peninsula, half of it. Piddly

little P.E.I. grew by 18.6 per cent.

Nova Scotia grew by 25.8 per cent. The gross domestic product of Nova Scotia grew by 25.8 per cent.

The gross domestic product of New Brunswick, in that same period, grew by 26.3 per cent.

MR. J. CARTER:
What about all the military spending out there? There is none here.

MR. WELLS:
That is right. The gross domestic product of New Brunswick grew by 26.3 per cent. They out performed Canada as a whole, with the exception of P.E.I., who did not, Canada as a whole grew by 20.5 per cent.

MR. J. CARTER:
The (inaudible) when into P.E.I.

MR. SPEAKER:
Order, please!

MR. WELLS:
Thank you, Mr. Speaker.

Newfoundland, Mr. Speaker, grew by 15.7 per cent, 60 per cent of the rate of growth in the other Atlantic Provinces. That is how we performed, 60 per cent of the rate of growth in those other Atlantic provinces. To what do we attribute that?

There is only one thing to which it can be honestly and fairly attributed and that is the totally improper and incompetent economic performance of this administration. Since they took office they have driven every, single economic indicator down into the ground.

MR. J. CARTER:
The military spending in the Maritime Provinces is a big factor. You know that. It is a big, big factor.

MR. WELLS:
Why, Mr. Speaker? Why is our performance that way?

MR. J. CARTER:
Because of military spending in the other provinces.

MR. WELLS:
Just now it was interest rates.

MR. J. CARTER:
That too.

MR. TORIN:
It is some boring, is it not?

MR. WELLS:
It is boring when it hurts. It is very boring when it hurts.

MR. PEACH:
You are.

MR. WELLS:
The Premier stands in this House and makes the kind of statements that he did in April, May and June of this year about the great economic growth and he wishes to inform this hon. House of the continued employment and economic growth being experienced in our Province, at the same time the Department of Labour is telling him in his official publication that our unemployment rate has gotten 2.3 per cent worse! That is what he says at the same time!

How can you accept anything they say? We have been going steadily downhill ever since 1979, people are forced to leave, more people on unemployment insurance, more people living below the poverty line, and the public sector debt

increasing all of the time.

Just take a look at it, Mr. Speaker. You can see it in Exhibit 5 of the minister's budget. When you look at the public sector debt, the total provincial direct debt, Mr. Speaker, you see the total provincial direct debt as of March 31 of this year was \$4,085,000,000 from which you have to deduct the \$978 million set out in the sinking funds, because that money is set aside to discharge the debt. So really the net amount that we have to generate is down to \$3,108,000,000.

Now, Mr. Speaker, what was it on March 31, 1979? The gross amount of the direct debt on March 31, 1979 was \$1,851,000,000. When you make allowance for the sinking fund there was a net direct debt of \$1,594,000,000, \$1.6 billion. There is now \$3.1 billion. Our debt has doubled in those years, almost exactly doubled!

Mr. Speaker, there are a couple of other factors to take a look at as well. The interest rates, at the same time as we were doubling our debt in those nine years, we were incurring the highest interest rates that we have ever paid. So it is not just the extent of the debt but it is the interest rates we have to continue to pay on it, most of it at 10 to 13 per cent in those years.

MR. TULK:
Scandalous!

MR. WELLS:
When we increased our debt by \$1.5 billion in those nine years, last year alone, \$200 million.

Mr. Speaker, the next question to ask is: Was it spent wisely? What

did we achieve by increasing our debt by that amount? What do we have to show for it? The fact is there were less schools, less hospitals, and less roads built in those nine years than any other nine years of our history. That is a shocking statement! Less schools, less hospitals, and less roads built than in any other nine years of our history and yet we have doubled our provincial direct debt.

The budget speech, Mr. Speaker, is an attempt to make failure look like success. In the budget speech of the prior year, the Minister of Finance was being more accurate. He was telling the Province exactly what the situation was when he told us clearly the position that we were in.

'The Province is in an increasingly difficult position. Our economy remains weak while other provinces strengthen and prosper. Our employment picture is a national disgrace.'

Mr. Speaker, that is as true today as it was when the minister spoke it, just as true today as it was when he spoke it twelve or fifteen months ago!

SOME HON. MEMBERS:
Hear, hear!

MR. TULK:
Probably more so.

SOME HON. MEMBERS:
Oh, oh!

MR. WELLS:
People do not like truth. Some people do not like the truth and it hurts, particularly people who ran away from the right side and ended up on the wrong side where

they have got to try now and live with the truth, the truth that they at one time used to identify and condemn most vigorously, most vehemently!

SOME HON. MEMBERS:
Hear, hear!

MR. WELLS:
In the caucus room, but nowhere else, condemn in the caucus room but nowhere else! They do not like those truths any more. Some people do not like those truths any more.

It is an attempt, Mr. Speaker, in this Budget to make abject failure look like an acceptable measure of success, but it will not work. It will not wash. The people of this Province clearly know the difference and they will not accept it.

MR. CALLAN:
Let us go to the polls.

MR. TULK:
Come on, you are over there. Get them to do it, boy.

MR. WELLS:
Mr. Speaker, the fact we are getting closer to an election explains the 180 degree turn from one minister to the other. Nobody this side of the House, nor the people of this Province, and I suggest to you, Mr. Speaker, a very small portion of the people of this Province have any confidence in the competence to manage the economy of this Province any more.

SOME HON. MEMBERS:
Hear, hear!

MR. TULK:
Right on.

MR. WELLS:
After the final act of desperation we witnessed last Monday, that final act of desperation of the railway deal, the people are ready, Mr. Speaker, to speak clearly and express their views as to just what they think of the management of the economy by the people of this Province.

SOME HON. MEMBERS:
Oh, oh!

MR. WELLS:
The deal, Mr. Speaker, is so desperate and they themselves recognize it is so desperate, that as the Deputy Premier said here today they spent, is it \$55,000?

MR. TULK:
That is their share.

MR. WELLS:
That is their share - \$55,000 to try and promote its acceptability!

MR. TULK:
It is going to be something like \$200,000 by the time they are finished altogether, federal and provincial.

MR. WELLS:
To try and make it credible, to try and make it acceptable! That is how bad the deal is. They have to try and put \$200,000 mask over it, to try and hide it and make it acceptable.

MR. TOBIN:
(Inaudible) when he gave away the railway going to Argentina?

MR. WELLS:
I am glad the hon. member mentioned that. I will just tell him he has got that letter with a little bit of green. I just tell him what a complete total fabrication that is. I cannot

imagine the hon. member would want to lie to this House, but I will just tell him that the whole proposition is a complete fabrication. He was not here when I said it earlier and I want to say it again now because I would not want him to be any less informed than the other hon. members opposite.

MR. TULK:

That is hard to do. It is hard to inform him though, 'Clyde'.

MR. TULK:

That may be true.

MR. TULK:

Keep trying though.

MR. WELLS:

Mr. Speaker, that letter, I just say again for the hon. member's benefit, was written in May of 1967 by Mr. Pickersgill to Mr. T. C. Douglas who apparently had written to Mr. Pickersgill to ask him about an application that was in process or in the process of being made, I do not know which, to the CTC relating to the closure of the branch line from the main railway line down to Argenta. Mr. Pickersgill wrote Mr. Douglas and said to him, 'This resulted from an arrangement that was made with the Government of Newfoundland and has their approval when the Government of Canada agreed to pay the entire cost of building a road from the Trans-Canada Highway to Argenta on the understanding that the railway branch would not be closed until the road was completed.'

SOME HON. MEMBERS:

Oh, oh!

MR. WELLS:

'Until the road was opened.' Now that was the understanding he

expresses in the letter.

As this was being done, the road was opened at that time. It was opened earlier that year, I believe, or late the year before. Now, if the road was built and opened by early 1967, clearly any arrangement in respect of it, before construction was even started, had to have been 1964 or 1965 sometime when I was working in Ottawa as a member of the Armed Forces

Now I suppose I was, as the member for Fortune - Hermitage (Mr. Simmons) says, responsible for the Trojan horse too. They want to make me responsible for everything.

You know when you make a point and when they are hurt. They have got to divert attention and they drag out things like this and then fabricate and concoct a story.

Now, Mr. Speaker, just let me tell the hon. member when that railway branch actually closed.

MR. TULK:

Listen now!

MR. WELLS:

In December, 1986 with the approbation of the Minister of Intergovernmental Affairs, who was then Minister of Transportation.

SOME HON. MEMBERS:

Hear, hear!

MR. WELLS:

That is who closed that branch line!

He had the temerity and hypocrisy to stand in the House today and talk about it and attribute it to me.

MR. SIMMONS:
He closed it?

MR. WELLS:
Yes. How incredible are they becoming! How incredible can they become? How unbelievable can they become?

MR. TULK:
You mean, the member for St. George's actually closed the Argentina branch?

MR. WELLS:
Well, the member for St. George's was the Minister of Transportation at the time and he would have been the minister in this government that would have been responsible for it in December of 1986.

MR. TULK:
He was the parliamentary secretary to the Premier.

MR. WELLS:
And the hon. member for Burin - Placentia was the parliamentary secretary to the Premier. Maybe I could do like they did and infer he probably drafted the letter or something.

MR. TOBIN:
Me and John Turner (inaudible).

MR. WELLS:
That is what they will resort to, anything!

So, Mr. Speaker, anybody who is listening will always know when they are wrong, and when they acknowledge they are wrong, because they embark on this kind of an unfounded personal attack, as they did with this silly letter.

Now, hold it up. The letter is there and it speaks for itself.

MR. TULK:

Who closed out the Stephenville branch?

MR. WELLS:
This is another one he closed in December of 1987, the Stephenville branch, signed by Ron Dawe, Minister.

MR. TULK:
Talk about closing the branch lines!

MR. WELLS:
Now, that is when those things were closed. That is when that branch line was closed. They have the audacity, Mr. Speaker, to stand here in the House and say, 'The closure of the railway was started by the leader of the Opposition when this was done in Argentina in 1967.' That is just how credible they are. Now, that is a measure of the credibility of anything and everything they say.

MR. TULK:
You mean that is all they can find on you?

MR. WELLS:
No, no! The Trojan horse. They got me responsible for the Trojan horse.

MR. TULK:
They got you for that, too?

MR. WELLS:
Yes, they got me for the Trojan horse.

MR. FUREY:
The message is getting out on their credibility too.

MR. WELLS:
Oh, there is no doubt about that!

Mr. Speaker, the worse thing about the railway is the impact on the economy of this Province of the

deal they have done. It is probably the worse deal ever signed and would have the greatest long-term impact, unless it is changed, on the economy of this Province.

Worse, Mr. Speaker, in terms of long-term impact than Churchill Falls, because, at the very least, that is going to end in another forty-five years! What this government signed on Monday never ends until we get the Liberal Party back in power in Ottawa and in Newfoundland.

SOME HON. MEMBERS:
Hear, hear!

MR. WELLS:
Then we will change it, Mr. Speaker! That is when it will end! The Liberal Party will come to the rescue of Newfoundland as it did when Diefenbaker gutted us in Term 29.

SOME HON. MEMBERS:
Hear, hear!

MR. J. CARTER:
A point of order, Mr. Speaker,

MR. SPEAKER:
A point of order, the hon. the member for St. John's North.

MR. J. CARTER:
This, Mr. Speaker, I think is very important because, if one government can tear up documents that another government has signed, then what does this do to the financial community?

MR. DOYLE:
What is the Churchill Falls (inaudible)?

MR. J. CARTER:
Yes, if this is the case, then the Leader of the Opposition is

certainly misleading this House and, in fact, he is prostituting the very process of government itself. If one government can tear up contracts that another government has made, I think he should explain himself.

MR. SPEAKER:
Order, please!

There is no point of order.

The hon. the Leader of the Opposition.

MR. WELLS:
I have got to go back now and pick up because I do not want to be sidetracked by that. I have got to go back and pick up from the point where he sidetracked me. And I am going to take advantage of his invitation. I am going to respond to his invitation to explain myself. It is all in the resolution that I introduced into this House today, Mr. Speaker.

MR. TULK:
Will I send him over a copy?

MR. WELLS:
Yes, sure, send him over a copy.

It is all in that resolution. You see, Mr. Speaker, the people who negotiated the Terms of Union, who negotiated Confederation, recognized clearly and acknowledged that Newfoundland was not capable of running the railway. We could not afford the cost of it. They recognized a small population, not as big as many cities in Canada, not as big as Winnipeg and Hamilton - we do not have a population as big as that - yet, we have 17,000 kilometers of coast line and we have, Mr. Speaker, a 150,000 square miles of territory to provide services to and to provide

roads to, and our small population is scattered in 800 plus communities around this Province. It is a massive job, a very difficult job, Mr. Speaker, to provide public services to the people of this Province.

MR. DINN:

You centralized them all.

MR. WELLS:

I did it with the Trojan horse, too.

MR. DINN:

You were not in then either, were you?

MR. TULK:

I am just explaining to the hon. member, I will come back and explain it to the other hon. member after. I am explaining this to the hon. member for St. John's North (Mr. J. Carter).

MR. DINN:

(Inaudible)

MR. SPEAKER:

Order, please!

MR. FUREY:

The conductor is upset with the removal of the train.

MR. WELLS:

Mr. Speaker, the impact of the agreement that was made will take us back to 1934. Few people realize the financial impact the railway had on this Province. It was the railway and not our war effort, as we also proudly boast because of the great effort we made in the First World War of raising and financing a regiment and sending it Overseas to fight by the side of all the other troops from the British Empire.

MR. J. CARTER:

Do you know how much that cost?

MR. WELLS:

I know how much that cost, \$12,950,000 was the debt for that.

MR. DAWE:

More than that, it cost lives and everything.

SOME HON. MEMBERS:

Oh, oh!

MR. WELLS:

The debt incurred in respect of that activity was \$12,950,000. I refer the hon. members to the report of the Amulree Royal Commission and it is spelled out in that report. It is no trouble to read it. The figures are there.

Mr. Speaker, we have for all of these years been perpetrating the myth that it is because of our great patriotic effort in the First World War that Newfoundland went into bankruptcy and it was all Britain's fault, because we did this for Britain and Britain did not help us finance it. That is a complete total myth! \$12,950,000 of the total \$98 million of public debt was attributable to that war effort. That is all.

MR. TULK:

That was a great sacrifice.

MR. WELLS:

The total capital debt in respect to the railway at the time was \$34 million.

MR. J. CARTER:

The railway brought us down, we know that.

MR. WELLS:

I have been telling the hon. gentleman for days and he and his colleagues have forgotten it, have

overlooked it. There was another \$24 million, Mr. Speaker, attributable to accumulated government deficits. The negotiators at the time of Confederation were trying to come to an understanding as to how much of the public debt that then existed should be taken by Canada and how much taken by Newfoundland, the new province. They agreed that one-half of the \$24 million was attributable to the railway.

Mr. Speaker, when you put that together, \$46 million out of the \$98 million was attributable to the railway. That is what bankrupted Newfoundland in 1934, having to provide transportation across this Province with our small population. That is what bankrupted us!

Now, Mr. Speaker, our ability to provide that transportation has not increased one iota in the intervening time. The cost of providing the Newfoundland portion of the national transportation system to any kind of a reasonably safe standard for our people to drive on will be just as high in the years ahead as the railway was to our people of the past.

So we are headed down the same road again, unless we get undone the dastardly deed that the present administration signed on last Monday, and implemented two months ago, by the way.

MR. TULK:
Yes, that was some laugh! They did not know anything about it, remember?

MR. WELLS:
That is right.

MR. TULK:

Ask them questions and they did not know anything about it.

MR. WELLS:
That is where we are, Mr. Speaker. That is the problem that this Province is facing. But that is what this government forgot! They convinced themselves that the minister's budget statements were accurate and the economy was performing well and everything was going fine and we had great, rosy events ahead.

MR. J. CARTER:
Stop the clock? Stop the clock?

MR. WELLS:
I move the adjournment of the debate, Mr. Speaker.

SOME HON. MEMBERS:
Hear, hear!

MR. SPEAKER (McNicholas):
Order, please!

The debate has been adjourned by the hon. the Leader of the Opposition.

I would like to take this opportunity now to rule on the point of order raised by the hon. member for Fogo. I looked at it in detail while I was out of the Chair and there is no point of order.

MR. SIMMS:
Mr. Speaker.

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

MR. SIMMS:
Mr. Speaker, I move that the House adjourn until tomorrow at two of the clock and that this House do now adjourn.

On motion, the House at its rising
adjourned until tomorrow,
Wednesday, at 2:00 p.m.

C O N T E N T S

TUESDAY, 28 JUNE, 1988.

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