

PRELIMINARY
UNEDITED
TRANSCRIPT

HOUSE OF ASSEMBLY

FOR THE PERIOD:

3:00 p.m. - 6:00 p.m.

TUESDAY, JUNE 3, 1980

The House met at 3:00 P.M.

Mr. Speaker in the Chair.

MR. SPEAKER (Simms):

Order, please!

The hon. Minister of Fisheries.

MR. MORGAN:

Mr. Speaker, I wish to move a motion, seconded by my colleague the spokesman on fisheries in the Opposition, that this hon. House extend condolences to the family, relatives and friends of the late Mr. Ray Greening. Ray served as Secretary-Treasurer of the Newfoundland Fishermen, Food and Allied Workers Union during the past number of years.

This government, and indeed the Department of Fisheries, appreciated Mr. Greening's input into the many matters relating to this Province's fishery. Mr. Greening had the ability to assess matters quickly and to offer sound, rational advice on the many important matters in our fisheries. In fact, he worked with the Fisheries Loan Board for the past number of weeks and months on developing new regulations for the fishermen's programme.

Uppermost in Mr. Greening's mind was always that the fishermen of this Province be treated in a fair and decent manner. Mr. Speaker, he will be a loss to Newfoundland, to the Newfoundland fishing industry.

MR. SPEAKER:

The hon. member for Trinity-Bay de Verde.

MR. F. ROWE:

Mr. Speaker, it is with a great deal of regret that I second the motion moved by the Minister of Fisheries in connection with the most untimely death of a very young man in the name of Mr. Ray Greening, the Secretary of the Newfoundland Fishermen, Food and Allied Workers Union.

Mr. Speaker, every word that I have heard spoken of Mr. Greening from any source whatsoever indicated that he was a most dedicated man and he was most untiring in his work. Sir, he was a person with whom anybody could sit down and have a sensible, straightforward

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MR. F. ROWE: conversation with, or a debate with, in order to solve any problem, no matter how difficult that problem was or how controversial that problem was.

Mr. Speaker, Mr. Greening was a real diplomat who had the best interests of the fishermen close to his heart, while at the same time taking into consideration the total socio-economic context of this Province of ours. Sir, he will be sorely missed, and his energy and dedication and patience and forthrightness will be difficult to replace.

Mr. Speaker, it is difficult to find words to pay tribute to Mr. Ray Greening and

MR.F.ROWE: probably the best way to pay tribute to Mr. Greening is to indicate to this House and make public through this House the very fact that he did indeed postpone his admission to the hospital until he had completed his job in connection with the input of the union with respect to the new regulations for the Fishermen's Loan Board. Sir, no better example can be found for the dedication of a man to his job than that in itself. So it is with a great deal of regret that I, on behalf of my colleagues on this side of the House, second the motion moved by the Minister of Fisheries (Mr. Morgan).

MR.SPEAKER (Simms): You have heard the motion. Those in favour 'Aye', contrary 'Nay', carried.

I would like to take this opportunity to welcome to the gallery on behalf of all hon. members sixteen grade nine students from Stella Marie High School in Trepassey, the district of St. Mary's - The Capes, under the direction of their teachers. We hope that they enjoy their visitation.

SOME HON.MEMBERS: Hear, hear!

ORAL QUESTIONS

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

MR.FLIGHT: Thank you, Mr. Speaker. My question is for the hon. the Premier. Mr. Speaker, this government's position as articulated by the Premier on some occasions, certainly since he became Premier and again quite recently, is that position of supporting the proposition that oil will go to world prices, and the Premier recognized when he first supported that position that that would create an unbearable hardship on a lot of the fixed income people in this Province, the senior citizens and the people on fixed incomes, and he recognized it to the point that he indicated that in supporting that proposition that he would see that a mechanism would have to be put in place that would protect our fixed income people, our senior citizens from the kind of effects that moving oil to world prices would have. And also the Premier indicated earlier on

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MR. FLIGHT: in this session in answer to this type of a question that he was not in a position yet to define those mechanisms but that he would be. And I would like to ask the Premier now, in view of the fact of the constitutional conference coming up and in view of the possibility of Canadian oil indeed going to world prices, what are the mechanisms he envisions that will protect the people of this Province, particularly the low income people, from the kind of financial devastation that that proposition is going to bring about?

MR. SPEAKER (Simms): The hon. the Premier.

PREMIER PECKFORD: Mr. Speaker, the hon. member's question contained the statement that this government and I had agreed to oil prices in Canada going to world prices. That is not the position of this government and I am sorry that the hon. member got the position wrongly some weeks or months ago. The position of the government is that oil prices in Canada should go to eighty-five per cent of Chicago, which is not world prices, number one; and number two, that that be graduated over a number of years to lessen the impact upon low and

PREMIER PECKFORD: middle income people and people on fixed income. It is not clear yet what the federal government's position is on energy pricing. They are still talking to the producing provinces and there has been no agreement. So it is too early to say what the process will be, what the increases will be over the next two or three years, and until we know exactly what the impacts will be, we will not be in a position, therefore, to articulate what measures federally and provincially should be taken to lessen that impact upon the people of the country and of the Province.

MR. G. FLIGHT: A supplementary, Mr. Speaker.

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

MR. G. FLIGHT: I thank the Premier for his answer. I concede, Mr. Speaker, the Premier has indeed talked about the Chicago - or the blended, the 85 per cent, but in any event, moving to that position will create undue hardships that the fixed income people of this Province, senior citizens and others, may not be able to cope with. The Premier knows that over the past two or three years the ever escalating costs of energy - oil and fuel - is wiping out, almost denying the fixed income people the ways and means of keeping body and soul together. What I am asking the Premier, does he envision that that mechanism will be put in place - having reached a proposition where the price of oil has gone to the Chicago price over a period of a year or two, does he envision the federal government putting in a mechanism that would keep down the cost to our senior citizens and low income people, or the provincial government?

MR. SPEAKER: The hon. the Premier.

PREMIER PECKFORD: It is very hard to say. It is not - and once again, I have to correct the hon. member, we are not talking about the oil price going to the Chicago price, it is to go to 85 per cent of the Chicago price, which is not 100 per cent of the Chicago price.

Now, under the formula that the Clark Government had, they were about to establish a fund, and they were within a few days of getting an agreement from the producing provinces,

PREMIER PECKFORD: they were to put in place a special mechanism for dealing with it and to graduate it over a time, so it is difficult to know what the impact would be upon any region of Canada or any province of Canada. Now we do not know. There is supposed to be either a blended price or a two price system for oil and gas in the country. That has not been resolved yet between Alberta, Saskatchewan and British Columbia and Ottawa, or with the other provinces as well. So we just do not know what the outcome of this whole thing is going to be over the next while. It is crucial that some decision be made. We are into June and I guess the present pricing agreement runs out at the end of this month, so it is critical that some resolution of it occur. But we do not know at this point in time just exactly what the resolution is going to be.

The present party that is in power in Ottawa is the party that the hon. member belongs to, and that party was against going to 85 per cent of Chicago, so that therefore to talk about the position that the Newfoundland Government took and continues to take is not the same as that which the present government in Canada has, so it is almost irrelevant to talk about our position now, because, obviously, the government in Ottawa is going to make sure that the oil prices and gas prices stay low in this country.

MR. G. FLIGHT: A supplementary, Mr. Speaker.

MR. SPEAKER (Simms): Final supplementary, the hon. member for Windsor - Buchans.

MR. G. FLIGHT: Mr. Speaker, you know, in reference to the Premier indicating that the Party in Ottawa is the same Party that I support, rightly so, and I will tell the Premier, and I am not ashamed of it -

AN HON. MEMBER: Hear, hear.

MR. G. FLIGHT: - Mr. Speaker, that not only does this Party, I myself support the position that we do not go to 85 per cent of Chicago prices simply because the people of this Province, the fixed income people can not stand it. And we talk about producing our own ten years down the road, what happens to the fixed income people over the next ten years while we are waiting for Hibernia to come in, if it ever comes in?

So, Mr. Speaker, my question to the Premier is that if he wants the kind of support that he has got a right to expect in this Province from the people in supporting a position he takes, when is he going to be in a position to tell the people just what effect that policy that he is advocating is going to have on them in either the short or the long term? When is he going to be prepared to come clean with the people and tell them what going to 85 per cent of Chicago price will mean to the people in this Province on fixed incomes, low incomes, unemployment or the unemployed?

MR. SPEAKER: The hon. the Premier.

PREMIER PECKFORD: Mr. Speaker, I am not ashamed to admit that the hon. member supports a government in Ottawa. I am not at all ashamed to say that the hon. member for Windsor - Buchans (Mr. G. Flight) supports the present government in Ottawa.

SOME HON. MEMBERS: Oh, oh.

PREMIER PECKFORD: Secondly, on the whole question of Hibernia, obviously the hon. member assumes that if and when Hibernia oil does come in that it is going to be lower than the world price.

MR. G. FLIGHT: That is the reason (inaudible).

PREMIER PECKFORD: Now I do not know if that is true or not; I can not say that the Hibernia oil that is going to flow inshore either by pipeline or by tanker is going to be below the world price. If the hon. member has some information to indicate that that is so, I would like to see it because I am not convinced that it is. So that Hibernia oil does not necessarily mean that in its substance, if you will, or in its generation or in how we get hold of it, it is going to be that advantageous for us in that context.

Thirdly, the whole question of oil pricing in Canada is one which now is under the responsibility of the Canadian government. They have said that they are against the formula that the Clark government had, which was to move towards 85 per cent of Chicago price over time; that they are going to make sure that there is a 'made in Canada' oil and gas price so that therefore that makes the question that the hon. member raises totally and absolutely irrelevant.

MR. S. NEARY: Mr. Speaker.

MR. SPEAKER (Simms): The hon. the member for LaPoile.

MR. S. NEARY: Mr. Speaker, the administration when they were campaigning said that they were going to be open and honest with the people of this Province. So far the Minister of Finance (Dr. J. Collins) has refused to disclose the financial arrangements made with the former Deputy Minister of Finance, the Comptroller of the Treasury, Mr. Fearn. Would the hon. gentleman, in keeping with the promise he made to the people of this Province, please tell the House and the people what financial arrangements this government made with Mr. Fearn when his services were terminated as Deputy Minister of Finance and Comptroller of the Treasury?

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

DR. J. COLLINS: Mr. Speaker, the hon. member asked me a similar question some little while ago and I took it at that time under advisement. If I remember correctly he asked me a sort of double-barrelled question, the first part dealing with what financial arrangements were made, and the second part, what were the reimbursement expenses. That is not the exact wording he used, but that is close enough.

DR. J. COLLINS: the second part. When I have that information completed as I promised the hon. member I will so inform him through the medium of the House.

MR. S. NEARY: Supplementary, Mr. Speaker.

MR. SPEAKER: (Simms) Supplementary, the hon. member for LaPoile.

MR. S. NEARY: In other words I gather from the hon. gentleman's answer now that he does not think that any of the - whether it is expenses or financial arrangements to terminate Mr. Fearn's services, the hon. gentleman does not now think that

MR. S. NEARY: this is private and secret and confidential, that it will be made public and be made public before the House adjourns: Is that what I understand from the hon. gentleman's answer now?

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

DR. J. COLLINS: I did say at the time that I was uncertain whether certain aspects would have a very personal nature, that it would not be honorable for us to reveal in the interests of the individual concerned. I am afraid that still has to stay in place. But that was just a proviso. I said I did not know; I still do not know because I do not have all the information in. So there may well be certain aspects to the expenses involved here that would be of such a personal or private nature that I am sure hon. members would not be interested in them and therefore they should not be revealed. But I do not know that, I have not got the information in yet.

MR. S. NEARY: Final supplementary, Mr. Speaker.

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

MR. S. NEARY: The hon. gentleman is aware, of course, that when spending public money, nothing should be kept private, secret or confidential. The hon. gentleman understands that. I want to ask the hon. gentleman now if in their search for a successor to Mr. Fearn have they had any success in finding now, because the public treasury has been left unguarded and unprotected for some considerable time, would the hon. gentleman tell the House if they have managed to find a successor for Mr. Fearn, if they have found yet a Deputy Minister of Finance and Comptroller of the Treasury?

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

DR. J. COLLINS: Mr. Speaker, the Public Treasury is very far from being left unguarded and unprotected. Not only is the

DR. J. COLLINS: Auditor General in place but we have a very dedicated public servant in the person of Mr. Bernard Carew who has been Assistant Deputy Minister for a very long number of years and who is now acting Deputy Minister of Finance and Comptroller, and I can assure the hon. member in this House that Mr. Carew as well as the Auditor General are very diligent in their duties and certainly would not leave the Public Treasury unguarded. In regard to a replacement, I think I did inform the House a while ago that we had advertised, we had got in a considerable number of applications, we had set up a review committee which consisted of certain officials in government as well as an outside advisor. That review committee has met, has interviewed individuals. They have put in a report which I have discussed with the hon. the Premier and we will be acting upon that report further in the immediate future.

MR. SPEAKER (Simms): The hon. the member for Lewisporte.

MR. F. WHITE: Mr. Speaker, my question is for the Minister of Public Works and Services (H. Young) and it relates to an employee in the minister's department. I wonder if the Minister could tell us the status of Mr. Allen Smith, an electrical inspector in his department? What his current position is?

MR. SPEAKER: The hon. the Minister of Public Works and Services.

MR. H. YOUNG: The current position, electrical inspector, and he has been suspended temporarily, for the time being.

MR. WHITE: A supplementary, Mr. Speaker.

MR. SPEAKER: A supplementary, the hon. the member for Lewisporte.

MR. WHITE: Mr. Speaker, I wonder if the minister could tell the House when the gentleman was suspended and why he was

MR. SPEAKER(Simms): The hon. the Minister of Public Works and Services.

MR. YOUNG: He was suspended on Friday afternoon and I will get you the full details as to why he was suspended.

MR. WHITE: A further supplementary.

MR. SPEAKER: A final supplementary.
The hon. the member for Lewisporte.

MR. WHITE: Mr. Speaker, I wonder if the minister could tell us how long this suspension is in place for and what recourse Mr. Smith would have to getting his job back, if any?

MR. SPEAKER: The hon. the Minister of Public Works and Services.

MR. YOUNG: Mr. Speaker, an announcement will be made on it in due course.

MR. SPEAKER: The hon. the member for Torngat Mountains.

MR. WARREN: Mr. Speaker, my question is to the Minister of Rural, Agricultural and Northern Development. Could the minister advise if the new federal/provincial agreement for native funding has been signed and, if not, what is the present status of the whole agreement?

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

MR. GOUDIE: Mr. Speaker, the proposed agreement to which the hon. member refers is just that. It would be the first native people's agreement to come into place in this Province. We have not been in a position to sign that agreement yet. There were, earlier this year, several points of contention between the two levels of government and the federal / provincial Committee. These have been resolved. In the meantime,

MR. GOUDIE: to ensure that funding will carry on for the short-term for designated communities in the Province including Conne River on the Island part, we have extended the present letter of exchange so that funding will continue until the end of June and by that time we would think that we will have the federal/provincial agreement signed.

MR. WARREN: A supplementary, Mr. Speaker.

MR. SPEAKER(Simms): A supplementary. The hon. the member for Torngat Mountains.

MR. WARREN: Would the minister advise if this delay in the signing of the new federal/provincial agreement will cause a lack of construction and work in the Torngat district where all communities are involved?

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

MR. GOUDIE: No, Mr. Speaker. As I have indicated, we have extended the present funding which is proposed to be increased, by the way, in the new agreement. The total agreement when it is signed will involve about \$39 million, approximately, over a five year period, which is an increase above and beyond the existing letters of exchange or letters of agreement which we have had in the past. But the funding has been extended to cover the normal costs which would be incurred or encountered during the normal operation of the year. Projects will continue as usual.

MR. SPEAKER: A final supplementary. The hon. the member for Torngat Mountains.

MR. WARREN: Mr. Speaker, I understand from the minister that the old agreement is continuing until the end of June. I am just wondering why the delay and are there ongoing negotiations between the minister and his counterpart in Ottawa. Is the

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MR. WARREN: delay on the provincial scene or on the federal scene, or is it both?

MR. SPEAKER(Simms): The hon. the Minister of Rural, Agricultural and Northern Development.

MR. GOUDIE: No, Mr. Speaker, there is no delay on our part.

MR. GOUDIE: As I indicated in the first part of the answer, there were several points of contention -

MR. NEARY: You cannot even spend the money when they give it to you.

MR. GOUDIE: There were points of contention in January and February, at which time I met with the federal minister in Ottawa responsible for the agreement, and there are no points of difference left. Yet the biggest holdup on the whole signing was related to a recent election across the country and with the new administration coming in I guess they wanted to re-evaluate the whole thing and now it is ready to be signed.

MR. HISCOCK: A supplementary.

MR. SPEAKER (Simms): The hon. member for Eagle River.

MR. HISCOCK: Could the minister also advise us why Black Tickle is no longer designated as a native community?

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

MR. GOUDIE: Yes, Mr. Speaker, there are two communities removed from this funding when the new agreement comes into place; the communities are Black Tickle and Mud Lake. And the decision was made by a federal/provincial committee which determines how funds are spent under that agreement. One of the main rationales behind it was that the added impetus to the fishery and the increased activity in that community, specifically in terms of the fish plant and infrastructure which has gone in over the last number of years under the auspices of that agreement, that the community can be self-sustaining on its own.

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

MR. BENNETT: Mr. Speaker, my question is directed to the Minister of Manpower and Labour. In 1979 I understand their total employment figures were something like 175,000 in the Province, and I am wondering - I suspect these figures include the 50,000 or the 60,000 people who are directly getting a cheque from government source, civil servants, etc., and

MR. BENNETT: I would like for the minister to confirm these figures if he would. If it is 175,000 in 1979 figures, and now I suspect basically the same figures then in essence we have 50,000 people who collect their pay cheques from the efforts of 125,000 productive employees in this Province, I am wondering if that minister could confirm these figures for the House and if this seems to be an acceptable balance for the economy? And is there anything being done by the minister to alleviate the pressure that is being applied to those who are in active productivity in the Province to support the 50,000 or the 60,000 who are not being so productive to support the people like ourselves, the civil servants, etc.?

MR. SPEAKER (Simms): The hon. the Minister of Labour and Manpower.

MR. J. DINN: Mr. Speaker, I can confirm that Statistics Canada for 1979, an average over the year, was 175,000 people employed. I am not quite sure what the hon. member is getting at. The hon. the member for Terra Nova (Mr. T. Lush) last week asked the question, How did government create jobs when the same number of people were employed in the public service in 1978 as there was in 1979? Now the hon. the member for St. Barbe (Mr. T. Bennett) is wondering, I believe, whether we have too many people in the public service. I am not quite sure what the hon. member means by the question. Is he indicating there are too many people in the public service and we should get rid of more? There has been no increase in the public service over the past year, so maybe the hon. member could clarify his question.

MR. T. BENNETT: Mr. Speaker.

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

MR. T. BENNETT: I think the hon. gentleman understands my question alright. By these figures here, every two and one-half persons employed productively, we have one person employed from the Public Treasury through some source down through the government coffers, the government tax structure has to support. It might be a necessary evil. It most certainly must be, I guess. But I am asking the hon. gentleman does he think it is a necessary evil that we should have two and one-half persons on the work force - do we need one for every two and one-half persons? Do we need government employed persons when for every two and one-half persons employed there is one employed by government somewhere down the line?

AN HON. MEMBER: A good question.

MR. SPEAKER: The hon. the Minister of Labour and Manpower.

AN HON. MEMBER: He does not even know the question.

MR. J. DINN: I do not know what figures the hon. member is using for people in the public service.

MR. J. DINN: 'Public Administration' here, says for February, 1980 we had 20,000 people in the public service. What is the hon. member saying, that we have too many people in the public service? Maybe we do, maybe we need to cut, But I can indicate to the hon. member that 1978 over 1979 there was no increase, 1979 to 1980 there has been no increase to this point in time. We are not anticipating employing more people in the public service and I do not know where he gets the figure two and one-half to one. It says here according to Statistics Canada, which the hon. member loves to quote, 'In the public administration we have 20,000 people and we have 175,000 people employed. Now, is that two to one? New math or something? I am missing something here.

MR. G. FLIGHT:

Yes, we know that.

SOME HON. MEMBERS:

Oh, oh!

MR. T. BENNETT:

Mr. Speaker, a supplementary.

MR. SPEAKER (Simms):

Order, please! Order, please!

A final supplementary, the hon. the

member for St. Barbe.

MR. T. BENNETT:

The hon. the minister keeps telling us that his department has created 6000 new jobs. I am wondering how many of these have been direct, government employed jobs just to create jobs? Or have there been things put in front of people so they can themselves create jobs, like in the fishery and in timber and in all the rest of it, or have these jobs been created directly by government in government positions - 6000 people - and if indeed they have not, unemployed possibly 12000 to create 6000 jobs?

MR. SPEAKER:

The hon. the Minister of Labour and Manpower.

MR. J. DINN:

Mr. Speaker, the hon. member's philosophy is a little bit different from the philosophy of employment on this side of the House. What we intend to do over here is create the atmosphere in industry - in the fishing industry, in lumbering, in mining - so that people will move in

MR. DINN:

here and employ people. Now that is the attitude. In 1978 over 1979 we created 9,000 jobs, Now that is what the increase was, and there was no increase in the public service, none. We think that the public service, a lot of them are doing a great job; we think they will maintain the same service to the public and we will not have to increase. Now, Mr. Speaker, 1979 over 1980, the year is not complete yet, I can tell the hon. member that from March to March, according to Statistics Canada statistics, we created 13,000 jobs. From April to April it was 6,000 if you look at the overall population of the Island, or 8,000 if you look at Statistics Canada when they break it down. So it is very difficult for us to just use Statistics Canada statistics and expect us to come up with accurate figures. But I can tell the hon. member if he is really interested in how many more people are employed, and I explained this the other day to all hon. members who were in the House; some hon. members may have been able to understand it, some hon. members may not have been able to understand it—but the employment rate, the number of people employed in the population from fifteen years of age and above is at the highest level it has been since they have started collecting Statistics Canada statistics.

SOME HON. MEMBERS:

Hear, hear!

MR. DINN:

And, Mr. Speaker, it shall go higher.

MR. SPEAKER: (Simms)

The hon. the member for Terra Nova.

MR. LUSH:

Mr. Speaker, I am glad that the minister has finally admitted to the accuracy of the statistics published by Statistics Canada each month. My question flows out of the last one asked by my hon. colleague and friend and out of the answer that the minister gave when he said that there was no increase in the public service last year. My question is what are the projections for this year? Does the minister anticipate any increase in the public service this year? If he does not, how does this fit in with the Premier's promise of 40,500 jobs, of which he said 7,000 would be created in the

MR. LUSH: public service?

MR. SPEAKER (Simms): The hon. Minister of Labour and Manpower.

MR. DINN: Mr. Speaker, at no point in time did the hon. the Premier say that we were going to create 7,000 or 8,000 or 9,000 jobs in the public service. We are going to create 40,500 jobs over the next five years, and in 1978 to 1979 we created 9,000 - we are a little bit ahead of schedule right now.

SOME HON. MEMBERS: Hear, hear!

MR. DINN: For 1979 to 1980, the figures are not in yet, but we can afford to create some 9,900 jobs less this year than we did last year and still be on schedule. So, Mr. Speaker, the figure is 40,500 in five years. We are on schedule at this point in time as a matter of fact we are a little bit ahead

MR. DINN: by 900 jobs, and Mr. Speaker, by the time the end of this year unfolds to all hon. members, we may even exceed last year. Who knows?

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER (Simms): Order, please!

MR. DINN: But we will certainly do better than the rest of the nation.

SOME HON. MEMBERS: Hear, hear!

MR. STAGG: The universe is unfolding as it should.

MR. DINN: The outlook by all the experts say that our economy will improve better than the nation's economy.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Order, please!

The hon. member for Terra Nova.

MR. LUSH: Well, Mr. Speaker, I gave the correct version of the government's stand on this 40,500 jobs. It looks like they are going to count every job that is created over the next few days regardless of where it is created or who creates it. But anyway, Mr. Speaker, this -

AN HON. MEMBER: (Inaudible).

AN HON. MEMBER: The federal government can claim it, yes (inaudible).

MR. HODDER: We can claim it.

MR. LUSH: This paper that I was quoting from was in the Daily News of -

MR. FLIGHT: Canada Works.

MR. SPEAKER: Order, please!

MR. LUSH: - June 7th., and I will table the document in which it says, talking about the Premier's new job creation programme for the Province if elected, 40,500 jobs, and I will table it, and the quote is that

MR. LUSH: 7,000 of these jobs will be in the government and in Crown agencies. I have asked the minister in view of the fact that there is no increase in the public service this year, does this mean there is going to be no increase next year, is it going to remain at the status quo and if so how is that going to fit in with the Premier's promise of 7,000 jobs? And let us get an answer to the question, Mr. Speaker.

MR. FLIGHT: Hear, hear! Answer the question.

MR. SPEAKER (Simms): Any further questions?

The hon. Minister of Labour and Manpower.

MR. DINN: Mr. Speaker, the hon. member for the past three or four weeks has been quoting Statistics Canada. Now the hon. member is quoting the Daily News.

MR. FLIGHT: No, the Premier, only the Premier.

MR. DINN: Mr. Speaker, all I can say is that the hon. member continues to go down hill.

SOME HON. MEMBERS: Hear, hear!

MR. LUSH: He does not know the answer. That has got him. He does not know the answer.

MR. NEARY: A supplementary.

MR. SPEAKER: Yes, we have time for another question.

MR. NEARY: A supplementary to the hon. gentleman.

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

MR. NEARY: Is the hon. gentleman including in his total of 40,500 jobs, jobs that have been created, or allegedly created as a result of rural development loans? If so, the hon. gentleman had better revise his list because some of the people who borrowed this money from RDA are either in jail or gone bankrupt - some now, not all of them - but a few that I know have gone bankrupt. The fellow who borrowed for the chrome factory down in Flatrock is in jail, I understand. Are they included in the jobs that the hon. gentleman is referring to?

MR. SPEAKER (Simms):

The hon. Minister of Labour and

Manpower.

MR. DINN:

Mr. Speaker, I am not sure what the

hon. member for LaPoile is asking.

AN HON. MEMBER:

RDA loans.

MR. DINN:

If I am including the jobs created by

the RDA loans?

MR. NEARY:

Right. Well, maybe the hon. member has

recommended that we have a royal commission. Now I remember that we had

a royal commission in 1970 or 1971 into how we spent money -

MR. STAGG:

'72.

MR. DINN:

- on Bell Island. And that did not come

out too well for the hon. member as I recall.

MR. WINDSOR:

It did not create any jobs either.

MR. DINN:

And I read that quite clearly.

MR. WINDSOR:

It did not create any jobs.

MR. DINN:

Maybe he is recommending we should have

another royal commission. I will have to talk to the Premier after

Question Period.

MR. SPEAKER:

Order, please!

The time for Oral Questions has expired.

ANSWERS TO QUESTIONS FOR WHICH NOTICE HAS BEEN GIVEN

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

SOME HON. MEMBERS: Oh, oh.

MR. SPEAKER: Order, please!

DR. J. COLLINS: Mr. Speaker, Question 22, the hon. member for LaPoile (Mr. S. Neary) to ask the hon. the Minister of Finance to lay upon the Table of the House the following information: "List names, dates, province or country of origin of all individuals and families transported to Newfoundland at public expense during the calendar years 1972, 1973, 1974, 1975, 1976, 1978 and 1979. In each case, show cost of exploratory visit to the Province and cost of transportation of family, if and when position was accepted. Show separately cost of transporting (a) head of household and his family; (b) furniture and household belongings; (c) vehicles; (d) pets, such as cats, dogs, horses and other animals."

SOME HON. MEMBERS: Oh, oh!

DR. J. COLLINS: Mr. Speaker, I wish to table the information available for the years 1978-79 and this was supplied to me by the Public Service Commission. For the years prior to that, the information was kept in the individual departments and I am afraid that that information would be very difficult to dig out and I do not think it would be my particular responsibility to dig it out; possibly the hon. member might ask individual departments for those prior years. But certainly the information for the years 1978-79 and 1979-80 is now being tabled.

MR. SPEAKER: Any further answers to questions?

ORDERS OF THE DAY

Motion, the hon. the Minister of Municipal Affairs and Housing to introduce a bill, "An Act To Amend The City Of St. John's Act (No. 2)". (No. 66).

On motion, Bill No. 66 read a first time, ordered read a second time on tomorrow.

Motion, the hon. the Minister of Municipal Affairs and Housing to introduce a bill, "An Act To Amend The Municipal Grants Act". (No. 63).

On motion, Bill No. 63 read a first time, ordered read a second time on tomorrow.

Motion, the hon. the Minister of Justice to introduce a bill, "An Act To Remove Anomalies And Errors In The Statute Law". (No. 64).

On motion Bill No 64 read a first time, ordered read a second time on tomorrow.

Motion, the hon. the Minister of Mines and Energy to introduce a bill, "An Act To Amend The Department Of Mines And Energy Act, 1973". (No. 65).

On motion Bill No. 65 read a first time ordered read a second time on tomorrow.

MR. SPEAKER: (Simms)

Order 3

Committee of Ways and Means, the Budget

debate on the amendment.

The hon. the member for Trinity - Bay de Verde.

SOME HON. MEMBERS:

Hear, hear.

MR. F. ROWE:

Mr. Speaker, yesterday -

AN HON. MEMBER:

The press are all leaving.

SOME HON. MEMBERS:

Oh, oh.

MR. SPEAKER:

Order, please!

SOME HON. MEMBERS:

Oh, oh.

MR. SPEAKER:

Order, please! The hon. member for Trinity -

Bay de Verde.

SOME HON. MEMBERS: Hear, hear.

MR. F. ROWE: Mr. Speaker, I could not care less whether the press were in the galleries or not. This is the people's House and hon. members can get up and say what they like, how they like to say it on behalf of their constituents -

MR. T. LUSH: Whenever they like.

MR. F. ROWE: - or the people of the Province and I intend to do so today and continue on with the few moments I have left at my disposal on the amendment which represents a vote of non-confidence in the government. And the amendment reads, "That this House regrets the inability of the government to develop and present positive programmes to cope adequately with the problems which concern the people of Newfoundland and Labrador."

Now, Mr. Speaker, yesterday I took some
time

MR. F. ROWE: to survey the whole area of the fisheries and I shall not go back to that today except to mention that, unfortunately for a great number of people in this Province, twenty-five to thirty per cent of the people who are directly or indirectly related to the fishing industry have been sadly misled and their expectations have been greatly raised over the last few years by members opposite and the crunch came this year when we saw the downfall or the tabling, for all intents and purposes, or the shelving of the strategies for the fisheries program for the next five years.

Mr. Speaker, let it not go unmentioned that the government has embarked upon a number of strategies to try to camouflage and distract attention away from their failure, their total and complete failure in industrial and economic development in this Province since 1972.

SOME HON. MEMBERS: Hear, hear!

MR. F. ROWE: This year, Mr. Speaker, the Premier, in particular in his dynamic, flamboyant fashion has brought up such issues as the Northern cod stock, for which there is no real argument but he pretends there is one - for which there is no argument. He has brought up the oil and gas and offshore controversy and made a controversy out of that and he has, generally speaking, set out a pattern of confrontation with other provinces, with the federal government and even with groups within the Province and all of these Sir, I submit, all of these strategies, I would submit, are really an attempt by the hon. the Premier and his colleagues to distract from their total, abysmal failure in their efforts over the last eight or so years.

MR. F. ROWE:

Now, Mr. Speaker, I have referred in the past in some detail to a little exercise that I was carrying out up until around this time last year, an effort where I was doing some research of Throne Speeches, Budget Speeches and this great piece of literature called The PC Times that was put out from time to time, and I documented up to about this time last year, 169 commitments, promises in the areas of industrial development, finance, fisheries, education, municipal affairs and housing and practically all government departments. 169 commitments and promises to the people of this Province which totalled in the billions of dollars if they were to be kept - which totalled in the billions of dollars! And I only reached up until 1975, Mr. Speaker with 169 unkept promises or broken commitments.

The problem was I did not complete my piece of research, Mr. Speaker, simply because a certain event happened about this time last year - or we were in the middle of a certain event, we were in the middle of an election, so I have not yet taken up and done some research in the latter half of the last decade with respect to the commitments that were made.

But Sir, this document here, plus the next five years that are yet to be researched is really what the government is trying to cover up in its comouflaging by using such things as the so-called controversy over the Northern cod stocks, confrontations with Ottawa over the ownership and control and what have you of the offshore oil and gas,

MR. F. ROWE: and we can get into a great argument about that or the details and technology of that whole situation.

Mr. Speaker, the fact of the matter remains that the people of this Province, in spite of the great promises, the great euphoria that is trying to be created by the Premier with respect to what we are going to gain from oil and gas and the development of the Lower Churchill and the recall of electricity from the Upper Churchill and that kind of thing, these are things that we still have to wait for. As I mentioned yesterday, this government cannot lay claim to one single major industrial development in this Province since they took office. That is a fact of life. They cannot claim credit for one single major industrial development creating jobs for the people of this Province.

MR. T. LUSH: How could they have a disaster if they did not have a success?

MR. F. ROWE: They cannot have a disaster if they do not have a success.

MR. T. LUSH: It was one big disaster.

MR. F. ROWE: The simple fact of the matter is that these kinds of things are fundamental in order to provide the social services that are required in this Province, to maintain the health services to the levels that we wish to have them at, to maintain the educational services at the University level, at the College of Trades and Technology level, at the Fisheries College level, at the vocational school level, at the secondary, elementary and primary school levels. We have to have these basic industrial foundations in order to maintain these types of services, in order to maintain the level of road services and highway services that we require. I indicated yesterday that the Trans-Canada highway is going soon to become known as 'Killer Alley' if something is not done with simple little things like the signs on the highway, let alone the upgrading that is required on the Trans-Canada Highway. The secondary roads and the trunk roads in this Province - although we have had some help there from DREE in developing these trunk roads and rebuilding and paving these trunk roads - the fact of the matter still remains, there are many roads in this Province

MR. F. ROWE: that are used not only for the transport of people but the transportation of fish products to and from fish plants and to the markets outside this Province. Unless these roads are upgraded substantially, we can assume, and we know for a fact, that the quality of our product is not as good as we would wish to have it in terms of comparison with other countries of the world.

Mr. Speaker, let me simply say this - and I do not want to prolong this at all or make it provocative or anything of that nature, because I got into a rather, I suppose, heated reply yesterday as a result of the provocations from the Minister of Labour and Manpower (Mr. J. Dinn) and the interventions from the member for St. John's North (Mr. J. Carter).

MR. F. STAGG: What about me?

MR. F. ROWE: Well, the hon. the member for Stephenville (Mr. F. Stagg), Mr. Speaker, I will just dismiss him as a non-person in this House of Assembly based on the contributions that I have witnessed he has made over the years, as I have witnessed him in this hon. House.

Mr. Speaker, let me simply say this, that the government's record speaks for itself. The fact of the matter is that they have not developed and they have not presented positive programmes to cope adequately with the problems which concern the people of this Province. We want to see controlled industrial development that is compatible with the environment of Newfoundland and Labrador. We want to see controlled development of our offshore mineral, oil and gas resources that is compatible with the fisheries and the marine environment of this Province. We do not want to see some of the mistakes of some of the greater industrialized countries of the world. Probably it is a blessing in disguise that we, in fact, over the years have had a slight delay

MR. F.B. ROWE: in major industrial development of this Province. But, Mr. Speaker, the problem is that the gentlemen opposite, during various election campaigns, and during certain public relation campaigns, and during their utterances here in the House of Assembly, have, in fact, raised the expectations of the people of this Province in the social service sector, in the area of education.

Where is the polytechnical institute? We have it on paper only. Where are the residences for the students at the College of Trades and Technology that have been promised over and over and over again? Where is the great T.V. educational network that was promised back in 1971-72? Where are all of these hospitals for Clarendville and for the Burin Peninsula, for Bonavista, the five year programme about seven or eight years ago? And now, Mr. Speaker, they have another five year programme, undoubtedly. What about the roads that were supposed to be built in this Province? What about the stadiums? Do we have our stadium down in Wesleyville yet? Where is the member for Bonavista North? Do we have our stadium in Bonavista?

MR. STIRLING: Not very much of it.

MR. F.B. ROWE: Well, not very much of it but it was promised a long, long time ago.

MR. STIRLING: The sign is still up.

MR. F.B. ROWE: The sign is still up.

Do we have the stadium in the Ferryland district that was promised during the by-elections?

Mr. Speaker, these are the points that I am trying to make. I think it is time that the hon. gentlemen opposite, and ladies opposite, simply levelled with the people of this Province

MR. F.B. ROWE: during elections and between elections and say it the way it is. That was the phrase that we heard coming from the former Premier of the Province, 'We will tell it the way it is'. Well, Sir, eight years later, to our sorrow, we find that the hon. gentlemen opposite have not been saying it or telling it the way it is. The simple fact of the matter, Mr. Speaker, is this, that we in this Province can no longer provide the government services nor the social services that have been promised by members opposite and ministers opposite and the Premier opposite and, therefore, in that realization they are now trying to distract. Mr. Speaker, it reminds me of the Ayatollah Khomeini.

MR. CARTER: Pronounce the name correctly.

MR. F.B. ROWE: The Ayatollah Khomeini. If the hon. member for St. John's North wants to say Khomeini he can say Khomeini, I pronounce it the Ayatollah Khomeini.

Mr. Speaker, hon. members opposite remind me of a half dozen Ayatollah Khomeinis: When they realize there is trouble within they try to seek out an enemy from without to attack, and that is the very situation that we have opposite today. The hon. the Premier, Mr. Speaker, is desperately - he cannot find anybody to argue to with on the basic, fundamental philosophy as far as the development of this Province is concerned on this side, he will not find anybody here to argue with, so he goes outside looking for enemies outside the Province, whether it is the federal government or Nova Scotia or Quebec.

MR. FLIGHT: But not Alberta.

MR. F.B. ROWE: But not Alberta, right. Certainly not Alberta.

MR. FLIGHT: Never Alberta.

MR. F.B. ROWE: But he will find an enemy from without. But, Sir, the people of Newfoundland -

AN HON. MEMBER: Keep on the good side of Alberta.

MR. F.B. ROWE: Mr. Speaker, there is one thing that I have learned in seven years teaching at the University and eight years as a member of this House of Assembly; in these fifteen years, Mr. Speaker, there is one thing that I have learned and that is that the people living, particularly, and I hope I am not offending the people in the urban areas of this Province, but the one thing that I have learned in teaching students from the rural parts of this Province, and representing people in the rural parts of this Province, is that they are, politically, probably the most astute people in this Province, they are very politically astute, and they can see a bluff in a political figure as quickly as anybody or any political scientist or any professor or -

MR. STAGG: Is that why you left St. Barbe?

MR. F.B. ROWE: - or any businessman -

MR. CARTER: Why did you leave St. Barbe?

MR. F.B. ROWE: I will tell the hon. member for St. John's North (Mr. Carter) why I left St. Barbe North, Mr. Speaker, because that hon. crowd over there mutilated a Redistribution Commission Report, an objective Redistribution Commission Report, they took it down in the bowels of the eighth floor, dark in the night, and the redrew that Commission Report to their own liking so

MR. F. ROWE:

they could save their own necks in the 1975 election. And they took St. Barbe North and St. Barbe South and White Bay North - two Liberal districts; one district, St. Barbe South, fifty-fifty - and what did they do? They took the three districts and made two districts out of it and eliminated St. Barbe North, and they did that throughout the Province, Mr. Speaker. And that is why I left St. Barbe North, because the hon. crowd over there wiped St. Barbe North off the face of the map. They call it gerrymandering.

Now, Mr. Speaker, as usual I was provoked in being dragged off the main point that I was trying to make, which I cannot ever remember now, by the member for St. John's North (Mr. Carter). But the point is this, I can assure hon. members opposite that it is still the bread and butter issues that the people of rural and urban Newfoundland are concerned about, it is still the bread and butter issues - adequate educational facilities, adequate health facilities, adequate transportation systems, adequate water and sewer. It is unbelievable that in a district on the Avalon Peninsula we still have relatively large, great historic communities, and I will not necessarily name them off, without proper water and sewerage facilities. We even have it in certain parts of St. John's, believe it or not, without adequate water and sewer facilities. So let us not embark upon a course where we try to distract the people's minds or the opposition's minds away from this sort of thing by confrontations with other provinces, by confrontations with Ottawa, by camouflaging that whole situation by dragging in the big red herring of a great controversy over the Northern cod stocks. There is no controversy over the Northern cod stocks. We know what the tradition has been with respect to the Northern cod stocks, we know what the feelings of the federal Minister of Fisheries (Mr. LeBlanc) are with respect to the Northern cod stocks, and the fishermen in Newfoundland in particular are in agreement with the federal fisheries minister with respect to the Northern cod stocks and they are in agreement with the

MR. F. ROWE: federalist system. Mr. Speaker, nothing saddened me more than to hear the hon. the Premier - I do not know what was wrong with him that night, whether he took temporary leave of his senses or what - but to hear a minister representing a Province that has depended upon the great nation of Canada and the whole concept of federalism since 1949, has been dragged up by the bootstraps by this whole concept of the federalist state, to hear him with a vision of oil and gas and revenues from oil and gas - still some years off, I might add - suggesting that the federal government should be the agency of the provincial governments, giving the impression that we have lived off federalism now since 1949, and now we can see a little bit of revenue from oil and gas, from hydro electricity down the road - we do not know whether it is next year, five years time, ten years time, fifteen years time or twenty years time; We had an indication that the earliest possible date when we will see revenues flowing from, for instance, Hibernia, if in fact it is feasible, will not be until the 1990s, so this, Mr. Speaker, is a ten year period, at least a ten year period - and then we have the hon. the Premier going up and giving every indication, giving the impression of a grab-all type of a Premier, a grab-all type of a Premier, giving the impression of being a bit of a separatist. Now standing up for the rights of Newfoundland and Newfoundlanders and Labradorians is one thing, Mr. Speaker, but giving the impression of being a grab-all because of possible and potential

MR. F. ROWE:

revenues from gas and oil down the road, is just giving the impression- if he truly represents Newfoundlanders and Labradorians, the rest of the Canadian nation must think that we are the greediest people on the face of the earth.

At this point in time, Mr. Speaker, half of our budget is derived from the federal government, approximately, probably a little bit more, probably a little bit less, about fifty-two per cent. If we did not believe in the fundamentals of federalism, Mr. Speaker, we would be an extremely poor Province and a poor people here today. And unless, if we strike it rich, we are ready and willing to share in kind with our sister provinces, we might just as well have ten separate provinces right now and the Territories and the Yukon and what have you, splitting separately off.

But, Mr. Speaker, I moved this vote of non-confidence because I, and I feel the people of Newfoundland and Labrador realize, the government have not in fact come up with the positive programmes, the solutions to the problems that face Newfoundlanders and Labradorians today, that they have not come up with good strategies to provide the government services and the social services and the industrial base and the economic base to sustain the two things that I mentioned previous to that. And until the government, Mr. Speaker, until the government can come up with a straightforward statement of policy on the economic front, on the industrial front, on the labour and manpower front, in terms of the provision of the government and social services that I have mentioned, we cannot in all honesty find confidence in this particular administration opposite. And that, Sir, is why I move that particular motion and I would suggest, Mr. Speaker, that any hon. members who have been following the history of the PC Administration over the past eight years will see quite fit and would feel quite comfortable in voting for the particular amendment that I moved to the Budget Speech there yesterday, Mr. Speaker.

Thank you very much.

SOME HON. MEMBERS:

Hear, hear!

MR. ROWE:

Are we going to divide?

MR. SPEAKER: (Butt)

Is the House ready for the question,

that all the words after the word "that" be deleted and be replaced with the following: "This House regrets the inability of the government to develop and present positive programmes to cope adequately with the problems which concern the people of Newfoundland and Labrador."

All those in favour "aye", contrary

"nay". The nays have it.

DIVISION:

MR. SPEAKER:

Call in the members.

MR. SPEAKER (Simms):

Order, please!

Motion is that all the words after the word 'that' be deleted and replaced with the following: 'This House regrets the inability of the government to develop and present positive programmes to cope adequately with the problems which concern the people of Newfoundland and Labrador'. Those in favour of the motion please rise: Mr. Flight, Mr. Hodder, Mr. Frederick Rowe, Mr. Lush, Mr. Neary, Mr. Thoms, Mr. White, Mr. Tulk, Mr. Moores, Mr. Stirling, Mr. Hollett, Mr. Warren, Mr. Hiscock, Mr. Bennett.

Those against the motion please rise:

The hon. the Premier, the hon. the Minister of Mines and Energy and Industrial Development (Mr. L. Barry), the hon. the Minister of Lands and Forests (Mr. C. Power), the hon. the Minister of Fisheries (Mr. J. Morgan), the hon. the Minister of Social Services (Mr. T. Hickey), the hon. the Minister of Consumer Affairs and Environment (Mrs. H. Newhook), the hon. the Minister of Public Works and Services (Mr. H. Young), the hon. the Minister of Tourism, Recreation and Culture (Mr. R. Dawe), the hon. the Minister of Labour and Manpower (Mr. J. Dinn), the hon. the Minister of Municipal Affairs and Housing (Mr. N. Windsor), the hon. the Minister of Finance (Dr. J. Collins), the hon. the President of the Council (Mr. W. Marshall), the hon. the Minister of Rural, Agricultural and Northern Development (Mr. J. Goudie), the hon. the Minister of Education (Ms L. Verge), the hon. the Minister of Health (Mr. W. House), Mr. Andrews, Mr. Walsh, Mr. Butt, Mr. Rideout, Mr. Stagg, Mr. Barrett, Mr. Carter, Dr. Twomey, Mr. Doyle, Mr. Patterson, Mr. Aylward, Mr. Stewart, Mr. Baird.

Results of the vote, fifteen for, twenty-eight against. I declare the motion lost.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

The main question.

Any further debate on the main question?

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

COMMITTEE OF WAYS AND MEANS

MR. CHAIRMAN (Butt):

Order, please!

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

MR. SPEAKER (Simms):

Order, please!

The hon. the member for Conception Bay South.

MR. CHAIRMAN (Butt):

Mr. Speaker, the Committee of Ways and

Means have considered the matters to them referred, have made progress and ask leave to sit again.

On motion, report received and adopted.

Committee ordered to sit again presently.

MR. SPEAKER:

The hon. the Minister of Finance.

MINISTER OF FINANCE:

Mr. Speaker, I have received a message

from His Honour, the Lieutenant-Governor.

MR. SPEAKER:

The following communication is addressed

to the hon. the Minister of Finance:

"I, the Lieutenant-Governor of the Province of Newfoundland, transmit estimates of sums required for the public service of the Province for the year ending 31 day of March, 1981, by way of further supply and in accordance with the provisions of the British North America Act of 1867, as amended, I recommend these estimates to the House of Assembly.

(Sgd) Gordon A. Winter
Lieutenant-Governor."

On motion, that the House resolve itself into a Committee of the Whole on Supply to consider the message of His Honour, the Lieutenant-Governor, Mr. Speaker left the Chair.

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COMMITTEE OF SUPPLY

Motion, that the Committee report having passed the amount of \$1,035,277,240 as contained in the message of His Honour, The Lieutenant-Governor, carried.

On motion, that the Committee rise and report having passed the amount of \$1,035,277,240 as contained in the message of His Honour, the Lieutenant-Governor and ask leave to sit again, Mr. Speaker returned to the Chair.

MR. SPEAKER(Simms): The hon. the member for Conception Bay South.

MR. CHAIRMAN(Butt): Mr. Speaker, the Committee of Supply have considered the matters to them referred and have passed the amount of \$1,035,277,240 and ask leave to sit again.

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

On motion, that the House resolve itself into a Committee of the Whole to consider the report of the Committee of Supply with respect to the estimates for the year ending March 31, 1981, together with a resolution and a bill consequent thereto, Mr. Speaker left the Chair.

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COMMITTEE OF THE WHOLE ^{W.M.}

MR. CHAIRMAN(Butt):

Order, please!

Bill No. 52.

A bill, "An Act For Granting To Her Majesty Certain Sums Of Money For Defraying Certain Expenses Of The Public Service For The Financial Year Ending The Thirty-First Day Of March One Thousand Nine Hundred And Eighty-One And For Other Purposes Relating To The Public Service". (Bill No.52).

On motion, that the Committee rise and report Bill No. 52, Mr. Speaker returned to the Chair.

MR. SPEAKER(Simms):

The hon. the member for

Conception Bay South.

MR. CHAIRMAN(Butt):

Mr. Speaker, the Committee of the Whole has considered the matters to it referred and has passed a certain resolution and recommends that a bill be introduced to give effect to the same and ask leave to sit again.

MR. SPEAKER:

The Chairman of the Committee of the Whole reports that it has considered the matters to it referred and reports having passed a certain resolution and recommends that a bill be introduced to give effect to the same.

MR. MARSHALL: Mr. Speaker, just before, so there can be clarification, we have passed in clause (2), as members will see in the bill which was just circulated today, \$1,335,000,000 and the Schedule says \$1,035,000,000. So I think the amount is \$1,335,277,240 and the Schedule should be amended accordingly.

MR. SPEAKER(Simms): So noted? So noted?
Motion, the hon. the Minister of Finance to introduce a bill entitled, "An Act For Granting To Her Majesty Certain Sums Of Money For Defraying Certain Expenses Of The Public Service For The Financial Year Ending The Thirty-First Day Of March One Thousand Nine Hundred And Eighty-One And For Other Purposes Relating To The Public Service". (Bill No. 52), carried.

On motion, Bill No. 52 read a first, second and third time, by leave, ordered passed and its title be as on the Order Paper.

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

MR. MARSHALL: Mr. Speaker, for the information of the House, just to give the House the information, the order of business we will be going into now, we will be going into the balance of the finance bills. I call now motion 1, which is bill No. 37, the tax on tobacco.

AN HON. MEMBER: (inaudible) what?

MR. MARSHALL: Well, it is motion 1, Bill No. 37.

On motion, that the House resolve itself into a Committee of the Whole on Bill No. 37, Mr. Speaker left the Chair.

COMMITTEE OF THE WHOLE

MR. CHAIRMAN (BUTT):

Order, please!

MR. MARSHALL:

Motion 1, Bill No. 37.

RESOLUTION:

That it is expedient to bring in a measure to
amend The Tobacco Tax Act, 1978.

MR. CHAIRMAN: (Butt)

Shall the resolution carry?

The hon. Minister of Finance.

DR. J. COLLINS:

We are considering the resolution. The resolution says, "Be it resolved by the House of Assembly in legislative session convened as follows that it is expedient to bring in a measure to amend the Tobacco Tax Act, 1978." There is a bill to be introduced subsequent to this resolution, Mr. Chairman. And the bill will just give effect to the increase in the Tobacco Tax Act announced in the Budget and that tax will impose a tax of two cents on every cigarette. These have been operative since the Budget was introduced but now the Committee, and subsequently the House, is ratifying this. I believe the previous rate of tax was 1.6 cents and now it is raised to two cents and cigars and pipe tobacco will go up accordingly.

Mr. Chairman, I move this resolution and a bill subsequent thereto.

MR. CHAIRMAN:

The hon. Leader of the Opposition.

MR. D. JAMIESON:

I want to assure the hon. House that I am not going to either hold it up or I am not going to oppose this, but I just want to say to the hon. the Minister of Finance (Dr. Collins) that on behalf of us dwindling numbers of cigar smokers that this is a shameful piece of discrimination. As a medical doctor he should know that we all have been told to get off cigarettes and get on to anything else if we cannot give it up altogether. Here I sweat and sweat blood to get on to cigars, and I find now that for every cigar that is worth more than thirty-five cents, the tax on it is twenty-nine cents. And I just want to protest very vigorously the quite shameful discrimination that this measure imposes on cigar smokers. I think it is a scandalous thing and while I accept it as being the inevitable

MR. D. JAMIESON: result of sinful living, I suppose it is getting to be now, just the same it is one of those excuses the Ministers of Finance are using these days to squeeze every last piece of enjoyment there possibly could be out of a very ancient and honourable after dinner habit.

MR. CHAIRMAN: The hon. member for LaPoile.

MR. S. NEARY: Mr. Chairman, I know what is wrong with the Leader of the Opposition. Since the price of cigars went up I have not been able to afford to buy one. So the Leader of the Opposition (Mr. Jamieson) not only has to keep himself in cigars now, but he has to keep me in cigars too. The only chance I can get to enjoy that little pleasure is to bum one off the Leader of the Opposition. So he is paying double now for the pleasure of smoking the odd cigar.

Mr. Chairman, this bill is like the other finance bills. It is just to increase the tax although the government said they would not be increasing taxes when they campaigned in the election. This is an increase in tax which is going to tax all these people who -

AN HON. MEMBER: That is not a new tax.

MR. S. NEARY: Well, the tax is already in force, Mr. Chairman, and what the government is doing is asking us to rubber stamp something they have already done because the tax has been on since the end of March, since the minister brought down his Budget. So all we are doing is rubber stamping something that is already in effect. But what irritates me and bothers me about all the extra money the government is getting, Mr. Chairman, is the way they spend it. And we had a classy example this afternoon of the way the government spend their money and I hope the press will have sense enough to get copies of the answer that the

MR. S. NEARY:

Minister of Finance (Dr.

Collins) gave today in reply to a question that I put on the Order Paper about bringing people into this Province for job interviews and then, after they get the job, transporting them and their household effects to Newfoundland. - eleven and twelve and fourteen thousand dollars to bring somebody down from Ottawa. It only costs twelve hundred and some-odd dollars to bring somebody from Guinea. Fourteen and fifteen thousand dollars to transport a crowd into this Province from the Mainland, from Frederickton, from Ottawa, from Montreal. It is worth people's while to get this list and take a look at it and see how the government spends the taxpayers' money.

MR. S. NEARY: I know, Mr. Chairman, I have asked to have copies circulated to the media, I am sure the hon. gentleman would not do it, but it is a worthwhile exercise to take a look at it and see how the government squanders the taxpayers' money and the same thing with the Rural Development loans. So far, Mr. Chairman, the government have refused point blank to give me and to give the House, members of the House and the people of this Province, a list of those people who have borrowed money and who were given grants from the Rural Development Authority.

DR. COLLINS: I do not think that is relevant.

MR. S. NEARY: It is relevant because it is an increase in tax and it is money that the government is getting and squandering. Everything is relevant under these bills.

MR. MOORES: That is right.

MR. S. NEARY: Everything is relevant. We are talking about additional revenue, Mr. Chairman, and how can you be irrelevant when you are talking about taxes.

The Minister of Rural, Agricultural and Northern Development (Mr. J. Goudie) gave us a list the other day that was so vague and general and then said to me across the House, shouted across the House "Come down to the office, come down to my office and I will give you a list, give you what you want, come down to the office". I say, balderdash, provide the list in this House. I put a question on the Order Paper and asked the minister to provide a list of names of those people who borrowed in the last several years from the Rural Development Authority. And the minister has refused to give that information so far to the House. And I am not going to the minister's office to ask him a little favour on my hands and knees, to ask him to give me that list. Provide the list to the House so that the members of the House will have access to it, the media will have access to it and the people who are putting up the money, the people who are paying the bills, who are providing the taxes, so that the hon. gentleman can give out these loans will have access to it. They have a right to it.

Mr. Chairman, there is too much of this nonsense about - like the Minister of Finance (Dr. J. Collins) said the

MR. S. NEARY: other day,"Mr. Fearn's settlement is private, certain aspects of it are private and confidential", spending the taxpayers' money and 'certain aspects of the financial arrangements with Mr. Fearn are private and confidential'. There is nothing private and confidential, Mr. Chairman, when you are spending the taxpayers' money, nothing. One of the main functions of this House is to see that this Public Treasury is safeguarded, to account to the people for the spending of taxpayers' money. Apart from being a debating forum, that is the principal reason for opening the House, to pass revenue and expenditure. And the minister refuses to give the House the information on a settlement, which I understand was very generous indeed with Mr. Fearn, just the same as the Minister of Rural, Agricultural and Northern Development (Mr. J. Goudie) is refusing to give us a list of names of those people who have been given loans and grants under the Rural Development Authority.

This has to stop, Mr. Chairman, it has to stop. The House is entitled to that information. Mr. Chairman, listen to this, I understand, Mr. Chairman - and I wish the Premier was in his seat - that the Minister of Rural, Agricultural and Northern Development by a Minute of Council, in other words, a Minute of the Cabinet was directed not to give the House that information. Does Your Honour realize how serious that is, what a serious violation of the Financial Administration Act that is? The Cabinet got together a few years ago and agreed amongst themselves that the names of those people who were to receive loans from the Rural Development Authority would not be made public, not provided to the House. The Cabinet decided that, a Minute of Council which means that the Cabinet said, "No; you are not to give this information out." The Cabinet down on the eighth floor decided that this House was not to get certain information regarding the spending the taxpayers' money. And as far as I know, Mr. Chairman, that Minute of Council has never been rescinded and that is why the minister of Rural, Agricultural and Northern Development can not bring us in a list of names in this House.

MR. WARREN:

He is not allowed to, is he?

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Tape No. 2030

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MR. S. NEARY:

Well, perhaps the hon. gentleman could answer the question, is he allowed to or is he not allowed to?

MR. S. NEARY: The hon. gentleman is admitting that he is not allowed to. Now, I did not read the Minute of Council. I do not have the Minute in Council. I would like to see it. I think it is illegal for the Cabinet to pass an Order in Council that certain information is not to be given to the House in connection with loans and grants and spending of taxpayers' money. I believe it is illegal, Mr. Chairman. I would like to hear the Minister of Justice, the Attorney General comment on it. It is unconstitutional, illegal and a violation of the Financial Administration Act and whoever was in the Cabinet when it was passed should be charged under the Financial Administration Act. It is illegal.

The Auditor General should pick it up and challenge it because I certainly intend to challenge it in the Public Accounts Committee. The House is entitled to the information and the Minister should bring that information into the House as quickly as possible. That Minute of Council, that order of the Cabinet should be rescinded as quickly as possible and the Cabinet should not try to suppress information that should be made available to the people of this Province, to the taxpayers who are paying the bills.

And I would certainly recommend, Mr. Chairman, that the media get a hold of that list of people that have been brought into this Province, interviewed for jobs and then sent back home and then had their furniture and household belongings, motor cars, pets, and God only knows what else brought into this Province. To move somebody down from Ottawa - \$12,000 or \$14,000. To move somebody from Frederickton, New Brunswick into a job that probably could train a Newfoundlander to fill, \$11,000. I mean what did they do? Come in by private plane? Eleven and twelve thousand dollars and some poor little old fellow comes over from Guyana, \$1,250.

MR. S. NEARY: Now, how can the minister justify that sort of foolish nonsense, extravagance and waste? And that is what irritates me about these increases in taxes, Mr. Chairman. It is not the fact that the tax on tobacco is going to hurt me that much or hurt anybody who smokes that much, I suppose, that one thing we should be doing is trying to discourage people from smoking although it is one of the few pleasures, I suppose, they have left in this world.

I do not know how many Newfoundlanders today are chewing tobacco. It used to be a goodly number at one time, I would suspect. I was never able to chew it myself although I did on a couple of occasions try to chew it but I always managed to swallow the - the what?

AN HON. MEMBER: (Inaudible)

MR. D. JAMIESON: And it made him sick.

MR. NEARY: Yes, I swallowed it and I made myself sick a couple of times but my poor old father, I guarantee you, he loved his chew, Black Fever and so forth and he -

MR. JAMIESON: Jumbo.

MR. NEARY: Jumbo and he enjoyed his chew so I would think there are an awful lot of Newfoundlanders today, especially people who work in fishing boats and who work in the woods who still like their chew. And they still like a draw, most of them are probably are rolling their own today but I am not upset because there has been an increase in the tobacco tax. The government deliberately does this, Mr. Chairman. They deliberately put an increase in taxes on tobacco and on liquor because they know that there are going to be no mass protests from the people because the trend today, the emphasis today is on giving up smoking -

MR. D. JAMIESON: They are taking advantage of people's guilt complexes.

MR. S. NEARY:

That is right - taking advantage of people's guilt complex. The pressure is on. The brainwashing is on. to give up smoking and to give up drinking and you can hear - all you can hear today are things about the evils of alcohol and the evils of smoking so I do not think anybody is going to get really upset over this. But what I do get upset over and very concerned about is the way that the government spends this money and I hope that before these finance bills all go through that we will hear from the Minister of Finance (Dr. J. Collins) and we will hear from the Minister of Rural Development (J. Goudie) and they will tell us that the House is going to get the information that it is entitled to, that the Cabinet is not going to suppress information, that the Minister of Finance is not going to be the judge and jury on whether or not Mr. Fearn's financial settlement, paid for by the taxpayers of this Province, should be kept private and confidential. Why should it when the people are

MR. NEARY:

paying for it? Why should it be kept private and confidential and secret? And that is the sort of thing that bugs me and irritates me about the government **whacking** on new taxes and getting more money. Mr. Chairman, I would like to know how they are going to spend it. And I do not think we should let these bills just go through by just merely rubber stamping the bills. We should have a few words and try to bring the government to task for their behaviour and their arrogance in the way they are handling the financial affairs of this Province.

MR. CHAIRMAN (Butt):

Shall the resolution carry?

DR. COLLINS:

Mr. Speaker.

MR. CHAIRMAN:

The hon. Minister of Finance.

DR. COLLINS:

Just a few words, a very few. I think the hon. member is misinformed if he thinks that I have said that certain details in regard to Mr. Fearn's travel expenses **and so on will be kept secret**. I said that there may be something of a private **and personal nature**. I do not know if there is and it may well not be. I have no reason to think that there will be but I just wanted to leave that there in case there was. In regard to location of employees of government this is not a matter that is settled by government, this is settled by the Public Service Commission and they work on **strict** guidelines so that there is no particular discrimination **or** benefit given to any individual employee. They work dispassionately in regard to laid down guidelines. I will not comment on the Rural Development loans, Mr. Chairman, in case you have a tendency to rule me out of order because it really has no relevance to the total issue. In regard to the hon. Leader of the Opposition I sympathize with him. I have never been a cigar smoker myself. I like them from a distance but I find that they rather - I do not know what they do to one's clothes and car and so on but I like them from a distance and I have never actually smoked them. I might suggest that perhaps he might try snuff. Is snuff tobacco? The bill does not cover snuff specifically.

MR. JAMIESON:

You just sniffed out another place where you can get a few bucks.

DR. COLLINS: Well, if snuff is tobacco then I am afraid we have closed that loophole to.

On motion the resolution carried.

MR. MARSHALL: Motion 2.

Motion 2, that would be the bill relating to the tax on the income of corporations.

MR. JAMIESON: Mr. Chairman.

MR. CHAIRMAN (Butt): The hon. Leader of the Opposition.

MR. JAMIESON: I would have hoped that this one, and I would be far more serious than a few moments ago relating to cigars, that the Minister of Finance (Dr. Collins) would have some words of explanation for us. Let me point out in the initial comments that the government had indicated that it was not going, in fact, to raise taxes except, I think, on small businesses, etc., is what it declared as being its intention. But I would welcome words from the Minister of Finance (Dr. Collins) as to just what (a) kinds of corporations are going to be affected by this? Is there some sort of a limit, a floor as it were to which this tax will apply? And, also, of course, what is the percentage **what** is the expected yield from this particular tax? If the Minister of Finance (Dr. Collins) would give us these answers I think, perhaps, we might be able to spend some time usefully on this whole question of corporate taxes in this Province.

MR. CHAIRMAN: The hon. Minister of Finance.

DR. COLLINS: Mr. Speaker, the issue before the Committee at the present time is a resolution. It says: "BE IT RESOLVED by the House of Assembly in legislative session convened as follows: That it is expedient to bring in a measure to amend the Income Tax Act". And there will be a bill brought in subsequent to that resolution. The hon. Leader of the Opposition (Mr. Jamieson), I am not certain if he remembers correctly in regard to the commitment government gave. The commitment was that government would not, or this administration would not during its term of office raise the personal income tax, the taxes in the Retail Sales Tax Act and Corporation Tax on small businesses. Now, this particular bill will raise taxes not on small businesses but on businesses that are not small. And the way it works is this, that

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Tape No. 2032

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DR. COLLINS:

section 5 of the Income Tax Act sets the general rate for corporations and the latest amendment fixed that rate at 14 per cent. That is the amendment

DR. J. COLLINS:

before this present one we are going to bring in subsequent to this resolution, fix that 14 per cent. But in 1978, there was an amendment brought in that added a new subsection to that Section 5 and that indicated there would be a lower rate for small business corporations as defined in the federal Income Tax Act. So there is a definition of what is a small business in the federal Income Tax Act and we are, shall we say, piggybacking onto that. We will not apply the general corporate income tax rate to those types of businesses, we will apply a lesser rate and the lesser rate at the present time is 12 per cent. The bill that will be brought in today will actually raise for the corporations, which are not defined as small business in the federal Income Tax Act, will raise the rate from 14 per cent up to 15 per cent and -

AN HON. MEMBER: One percentage.

DR. J. COLLINS: One percentage increase. And hon. members may be interested to know that we will then be in that regard comparable to B.C. and Manitoba also. So Manitoba and B.C. also have their general corporate income tax rate, that is the rate that does not apply to small businesses, they have it at 15 per cent and we will, if the bill is accepted by the hon. House, have a similar rate of tax.

MR. D. JAMIESON: To the resolution, Mr. Chairman.

MR. CHAIRMAN (Butt): To the resolution, the hon. the Leader of the Opposition.

MR. D. JAMIESON: Could the Minister of Finance (Dr. J. Collins) add to the information he has given us? That is fine if he is going to use the same standards as are applied nationally with regard to small business in large. The numbers, could he tell us, his officials must know, what number of corporations in Newfoundland are likely to be subject to this increase? In other words, out of all the businesses in Newfoundland how many of them are actually classified as or can be classified as being something other than small business in the wording of the Act? Has he got some idea of that and at the same time could he indicate what he anticipates? Once again, it must have been done by

MR. D. JAMIESON: his officials, can he tell us what kind of a yield this one per cent is likely to have in the current year?

MR. CHAIRMAN: (Eutt) The hon. the Minister of Finance.

DR. J. COLLINS: Mr. Speaker, I can certainly get those figures. I do not have them at hand at the moment but one can make a general comment that the vast majority of businesses, of course, in this Province, the Province of Newfoundland and Labrador, fall into the small business category. There is a relatively small proportion of all businesses that fall into the other category to which this tax would apply.

Again, I do not have the yield that will actually come from this tax but the corporate income tax for 1979-80, the revised figure for that was just over \$33.5 million and the estimate for this year will be \$45.5 million. So that is an increase of about \$12 million. Now, not all of that will relate to this tax increase we are putting in because there is no increase in tax in small business but the small businesses will actually, just by the growth of business not the rate that they are subjected to but just by the growth of business, will render more tax to the Province. So that whole \$12 million will not relate to this tax we are imposing, this increased tax we are imposing but some of it to some extent will.

I will endeavour to get the precise figures both on (a) the percentage or the numbers of businesses that fall into the large corporation category and also the amount we will actually expect from this particular increase. I will attempt to get those figures as quickly as possible and give them to the hon. the Leader of the Opposition.

MR. D. JAMIESON: Mr. Chairman.

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

MR. D. JAMIESON: Well, on the basis of that kind of information let me make a few observations which, first of all, I think will tend to diminish or dampen the Minister of Finance's enthusiasm or expectations with regard to the corporate yield this year. Insofar as I have been able to determine it and while it is still relatively early in the financial year of most companies, I have

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MR. D. JAMIESON: a feeling that the general level of profits by small business and large in this Province during the - presumably what will be the 1980-81 year, may very well be overall substantially less than the profit margins were

MR. D. JAMIESON:

in the year just past. I say that because surely we are probably going to follow the national average. And if you read any of the forecasts or any of the assessments that have been made in recent times, that is within the last few weeks or months, as to the profit levels across Canada, indications are that, in fact, both the small business sector and the large corporations are suffering very considerably in terms of the inflation which is eating into their profits and also a decline in what has come to be called consumer confidence. Now, if you translate that national assessment into the Province the situation here is extremely serious. I cannot recall a period when I have had as many small businessmen come to me and indicate that they were in quite serious difficulty. And I think that applies across virtually the whole spectrum of business, not just retailers but various other categories of business are all having problems even though in some instances they may have higher sales than they had, let us say, in a comparable period last year. But as a result of the increased costs which are phenomenal, the increased demands, for instance, which are being made upon them constantly by workers who themselves are being affected by inflation and the like, then, therefore, it is extremely doubtful, in my judgement, whether or not the Finance Department's estimates are going to turn out to be correct if, as the Minister has said, he expects to see the generation of more revenue in this current fiscal year than was the case last year. Now, having said that let me go on to say the next important thing that I believe needs to be called attention to and that is that, of course, it is really, in a sense, whistling in the wind, or whistling in the dark to talk about getting more money out

MR. D. JAMIESON: of the large corporations operating in this Province. There is a myth that tends to be abroad that in some way or other these outfits are capable of turning into the Province a much larger, if you like, economic rental, or whatever one wishes to call it, than we are getting from them today. And, of course, specifically we hear this about mineral or mining operations and various companies, particularly, perhaps, even some who are engaged in the fishery. There are two reasons why it seems to me this is not a reasonable expectation and spokesmen, whether they be for the government or whoever, ought to be extremely careful about talking about getting more money in terms of the yield to the provincial coffers from what is essentially conventional resource development. I say conventional resource development because I am separating it out at this moment from what might well develop in terms of oil and gas or some of the more exotic resources if one wishes to call them that. Now, to reinforce what I have been saying let us, for instance, look at what has occurred during the past three weeks in relation to the two large iron ore operations in Labrador. The first time when I got up in this House and asked questions about whether or not the recession in the United States, the down-turn in the production of steel in the United States, whether these things were going to have an impact on the provision of iron ore from Labrador, the first time I asked that question I think it was pretty well dismissed as being something - 'Well, we are taking a look at it but we do not really think that it is all that important because, of course, we have markets which are located outside of the

MR. D. JAMIESON: United States and where the recession is not having the same impact.' Later on I asked the question -in the first instance I asked it specifically about the Scully Operations -I am not sure which one is located where - I think it is Wabush

MR. E. ROBERTS: Scully is Wabush.

MR. D. JAMIESON: Wabush. And then a couple of weeks later, still not having had much by way of explanation from government members on what was happening with regard to Wabush, I had also received information relating to the Iron Ore Company Of Canada, and when I asked questions in that regard and I couched them, those who have the interest to look at Hansard which is probably very few, will see that I was extremely careful not to, in fact, raise any spectre or any concern. I made it very careful and very clear that I was not

MR. D. JAMIESON: sure although I had had information from thoroughly reliable sources that something was going to happen. What did happen, of course, was a few days after that, just about ten days ago, the Iron Ore Company followed the Scully Mines lead and announced that they were going to close down for something close to five weeks. So we have at least now the knowledge of a minimum close down in both of those categories; therefore, to relate that to what I have been saying about corporate income tax, the question is really whether or not, given the now precarious or at least mildly worrisome condition of these two main industries in Labrador, the likelihood is that 15 per cent in net terms is not going to probably yield as much as 14 per cent did a year ago. So once again, we have a kind of self-defeating mechanism in place - and, by the way, it is not just in relation to Newfoundland or Newfoundland operations or Newfoundland governments, it is one of those kinds of things where we are seeing repeatedly that the more the rate of tax is increased the less actual return comes in.

But even that is not the most important point. I have already talked about the iron ore business. Let me touch for a moment upon the whole question of pulp and paper. Now when, for instance, the complex negotiations were completed with regard to Stephenville and Abitibi, there was, in order to get that organization operative - and this has rarely been publicized, and it ought to have been because it has a bearing upon, once again, the extreme difficulty which any government in Newfoundland is going to have in enhancing its corporate tax base - but that arrangement in Stephenville - and I would not be a bit surprised but at least the member for Stephenville (Mr. F. Stagg) is aware of it - came about primarily if not almost totally because of a very, very large write off or concession with regard to capital gains and various related kinds of techniques associated with that corporation's business all across Canada. I hesitate to use a figure today because my memory is not that good, but I do know that I am on the low side when I say that it was tens of millions of dollars in terms of the capability of this company to take the purchase of Stephenville and use it against gains in other

MR. D. JAMIESON: parts of their operations elsewhere in Canada and, therefore, it was on that basis, coupled with various other concessions of a very massive nature, that enabled that operation to get going. But that plant is not even in operation yet and we are seeing already what is worrisome and what was worrisome to the paper company even at the time when it actually decided to go ahead in Stephenville, and that is that invariably - and this is almost as predictable as the phases of the moon - invariably, the pulp and paper industry is cyclical, it goes up and down with a regularity that is almost within a year or so each time, that is five good years, four or five lean years and the like. Now, already, we are seeing that the paper companies are concerned about the recession once again, because in many instances, their markets are in the United States. And incidentally, we would be foolish if we thought that a recession in the United States is not going to affect our markets in Europe and elsewhere wherever these happen to exist.

So the point I am making with regard to corporate taxes and the forestry sector is that it is extremely unlikely that given the large investment in capital and the like that is necessary and has been necessary over recent years, given the capability of these national and multi-national corporations to, in a sense, spread, if you wish, their expenses and the like, it is very unlikely that we are going to see any capability in this Province to substantially increase our yield from corporate tax.

Now, let me take the third major grouping and that is the fishery. Over the years, we have not only had boom and bust insofar as the major fishery operations are concerned, we have seen

MR. JAMIESON: what I think I called in Marystown when I was there, sort of fly-by-night, if you like, or operators who came in, tried to make a killing, either succeeded and pulled out or, in most instances, did not succeed and pull out. So, therefore, these large corporations will not either be able to pay very much more or turn in much more by way of profit to the Government of Newfoundland because of the necessity for additional capitalization, or they are going to wind up ploughing back a very significant part of whatever profits they are able to make into the kind of expansion which my hon. friend, the Minister of Fisheries (Mr. Morgan), and others unquestionably want them to do. So, therefore, what I am saying is that in those three major sectors, mining, fisheries and forestry, the likelihood of corporation tax as such substantially increasing in this Province in the foreseeable future is extremely slim. Indeed, in fact, I would go so far as to say that we are, in a sense, facing two policies here which are mutually exclusive, because on the one hand we want to see these industries expand, we want to see them modernized, we want to see them putting their profits back into the operation so that they will generate more earnings, more revenue, that is more jobs, that kind of thing. That policy is entirely commendable, and yet we keep saying on the other hand, and some members opposite have been guilty of this, that we are, in fact, not getting enough by way of economic rental for our natural resources. Now, I am only using the three what I would call basic industries in these comments that I am making this afternoon. Because, if we are going to get more, if it is a fact, if it is true that there are companies that are, in the case of Newfoundland, making exorbitant earnings, and, incidentally, I have not seen any solid evidence of that, then, of course, we must do something about what is referred to as the economic rental. In other words, the corporate tax will be a very, very small lever in terms of getting additional revenues from these natural resources.

MR. JAMIESON: I may remind the Minister of Finance (Dr. Collins) and other ministers and members opposite that two of the big giants, and I am leaving out the Newfoundland based companies now, but two of the largest companies were actually in the fish industry within some six months or less after the last down turn in the market, within six months they were, in fact, coming to government for additional assistance because their base, if you want to call it that, their capital structure was so shallow that, in fact, when they hit a recession it really chopped the legs out from under their financial position. So, what I want to say in conclusion here is that the ordinary taxpayer of Newfoundland is going to have to look forward for many years to come, it seems to me, to being the main carrier of the cost of the operation of this Province, that it is going to be, in the last analysis - the corporate tax is a small part, the personal tax, the personal income tax and the like is going to be the larger part by a country mile. Here, of course, we have to introduce the fallacy of no increase in personal income taxes and no increase in the sales tax, each of which is completely a misrepresentation because, in fact, by its very nature the sales tax, in particular, is one which is inflation prone in the sense that if you buy an article or bought it a year ago for \$1.00, you can still have the same rate of sales tax on it today, but if it is costing \$1.20 today the consumer is paying on \$1.20 as opposed to \$1.00 even though the rate has not altered. So, therefore, the hon. the Minister of Finance pointed this out - at least he had the frankness to do so - in his budget speech, that they had, in fact, a windfall in terms of the retail sales tax last year, as he reported in his budget - I have forgotten the figure but it was several million dollars, much of which - \$15 million - much of which was the effect or the result of increased prices which means, of course, that the consumer is really being hit, in a sense, a double whammy and, indeed, the government, and I do not say this in any - what shall I say? - controversial sense or anything of that nature because I suppose it is true of many taxes in many places. But the truth of the matter is that the government has a vested interest in inflation. It has a

MR. JAMIESON: certain obvious benefit. When prices go up, it keeps its sales tax at the same rate that it was. It has theoretically, at least, kept its word and said we will not increase the sales tax. Incidentally, I cannot imagine how anybody would go beyond 11 per cent anyway or whatever the overall figure is in Newfoundland when it is the highest in Canada anyway. The fact is that we are going to continue to see the average consumer here in Newfoundland bearing the biggest share of the burden, and it is a mistake, it seems to me, to think that unless and until we do start getting very, very massive amounts out of oil and gas or something new in terms of upgrading of the fishery, unless and until those things happen, it is a mistake to - I was going to say con but that may be too strong a word - to delude the people of Newfoundland into believing anything other than that when you look at that pie

MR. D. JAMIESON: which the hon. minister prints in the Budget, you see that the corporation tax, big and small business, is a comparatively small amount. I wish I had it directly in front of me, I suspect, without being dogmatic about it, that it is probably less than is actually being generated by the Newfoundland Liquor Commission. And so, therefore, what I am saying is that while this is clearly supportable in the sense of making the large corporations, at least, a bit more responsive and a bit more responsible than they have been in the past, that I do not know and I suspect that the Minister of Finance (Dr. J. Collins) has probably gone over this with his officials and reached the same conclusion, that we can anticipate that the business base here in Newfoundland is going to ever in the foreseeable future, and I am talking four or five years, is ever going to make a very much greater overall contribution than it has been making up to now. And furthermore, I think it is also, given the history of the closedowns, given the history of the number of occasions in the fishery when we have had to in one form or another, at one level of government or another provide these, the companies, with substantial assistance, given the fact that I believe every last one of the fish companies in Newfoundland today, every last one I suspect has in one way or another financed a very large part of its expansion out of either DREE funds, out of loans from the provincial government which were at very generous rates, goodness knows what else. And so my point in all of this is to say that we have been, I think, deluding ourselves that in some way or other there has been a rip-off on our resources. There may have been a few instances where that has been the case but by and large the problem goes much deeper and while I commend the minister for moving in this direction, I am still to be shown that corporate taxation, be it at the small business level or at the large business level, is ever going to, in the next four to five maybe ten years even, be much larger as a percentage of the total than it is today.

There is one final point that I want to make in this regard and it has to do with the view of many with regard to upgrading and whether or not this would turn us in more

MR. D. JAMIESON: revenues in the Province. On balance I believe it would but I have yet to find, with the exception of the pulp and paper industry, any basic industry where we have had a formula or been able to devise a formula that would require and would, in fact, force large corporations dealing in our natural resources to upgrade them within the Province.

Now, this government has made a lot of rather pious declarations in that regard and other governments have done so but the truth of the matter is that the forward integration that has taken place already, if we use the iron ore industry as a case in point, is such that it is almost impossible. I suggest to the Minister of Finance (Dr. J. Collins), to break the existing chain because you can trace it from the raw material in the ground in Labrador clear on through to Cleveland and I suspect, even if one wished to do so, probably into the auto industry or probably into the fabricating industry beyond that. And, therefore, to suggest that you can build steel mills in Labrador or do things with iron ore well beyond what is being done now, is going to be an exceedingly difficult task to achieve. Now, I do not expect the minister to give me a pat answer on any of these things today. I do not expect that we should kid ourselves either that we are going to solve these things but my hon. friend from Naskaupi (Mr. J. Goudie) must be the biggest sufferer from this kind of theory unless it is from Torngat Mountains or perhaps one of the other Labrador districts. But fundamentally, we subscribe completely to the idea that there ought to be greater value added at the site or near the site where the natural resources are located, but the fact is, that even in, for instance, the fishery, that Newfoundland based companies, companies which this government has helped out, companies which the Government of Canada has helped out have, and I am not going to mention names but they are well known to everyone else, have, indeed, established processing plants in the United States. The biggest percentage of the upgrading that goes on in the fishing industry

MR. JAMIESON:

goes on in the United States and so, therefore, to suggest now that you would be able to require fish companies to significantly enhance the value of their product within this Province before export, to suggest that is, I believe, to open up an extremely difficult area. But I hope the Minister of Fisheries (Mr. Morgan) does it. I hope the Minister of Industrial Development (Mr. Barry) does it but I do not believe they will get very far. We have been talking about arguments with National Sea and Nickersons as a case in point. You know, there is another argument that goes well beyond the ones that we have been talking about and that is the fact that, indeed, those companies do the significant amount of their upgrading and processing in plants which they own in the United States or in the markets to which they are going to send the fish. And there are Newfoundland owned companies which are doing exactly the same thing. So that in the absence of legislation which would be exceedingly difficult now, I suggest, to implement, in the absence of that kind of legislation the prospect of getting very much by way of upgrading out of existing industry is small indeed. It is not likely to happen because, as I have said earlier, first of all the markets are not that attractive for many of these companies. If you sought to strong-arm them into something of this nature the chances are that they would say, "It is impossible for us to do", or they would throw so many roadblocks in our way that we would find at some point or other that we would have to water down the requirements beyond recognition. So the only solution for us is in terms of future development and it is there, I suggest, Mr. Chairman, that we must do the two things that I have been talking about, rely on something other than the corporate tax structure in order to get a good economic rental - that is number one - on any new development that takes place, because you cannot, unless you can trace it all the way through the piece, the corporate tax structure is the most slippery piece of legislation with which any government has to deal as I expect the Minister of Finance (Dr. Collins) very well knows.

MR. JAMIESON: How does he know, for instance, or how does anyone know in terms of the iron ore of Labrador where the charges are being placed, how much weight is actually being put on the extraction of the ore as opposed to the transportation up the St. Lawrence seaway owned again by, oftentimes, the same corporate structure, or how much of it is, in fact, going into the fabrication and the like at the steel mill on the other end of the process? So it is not really going to be practical to look at corporate taxes as a means of substantially increasing our yield from our resources it is going to have to be on an economic rental, to say that it is measured on the basis of what you take out of the ground or take out of the sea or take out of the forest, if you do not have it on an economic rental basis then the corporate structure will continue to be the very narrow wedge and the people of Newfoundland, by and large, will still have to do what they are doing today. I would suppose that if I did a fast calculation it is probably the ordinary people of Newfoundland who are paying as much as 90 per cent of the total cost that comes out of the taxpayers, setting aside whatever comes from transfer payments and the like, and that business is paying, perhaps, not more than a net of 10 or 12 per cent. Now we all know the inequity of that insofar as the numbers are concerned. But my hon. friend, the Minister of Finance (Dr. Collins) will not get very far by simply moving, as he is doing here today, to say we are going to bump the rate by 1 percentage point but the whole structure is going to remain the same as it has been for as long as most of us here can remember.

SOME HON. MEMBERS: Hear, hear!

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

DR. COLLINS: Mr. Chairman, the hon. Leader of the Opposition (Mr. Jamieson) has brought up quite a number of points and I do not think that he expected me to respond to them all because there was a great variety of them and he really laid out the ground that I think, to a large extent, there are few arguments with. I would like to compliment him on his memory actually to start with. I think he wondered if corporate income tax did or did not render as much as

DR. COLLINS:

the Liquor Corporation and he was very close. Actually, corporate income tax gives us about 3.4 per cent of our revenue and the Liquor Corporation, I think, is 3.3. per cent. So there is almost no difference in it. And corporate income tax has never been a

DR. COLLING:

large part of our revenue sources, unfortunately. One would wish it were but the structure of our economy is such-as the hon. Leader of the Opposition pointed out, that has not in the past and likely for some time in the future that will be the case. When we bring in our estimates we do not do all these things in shop here in the Province. For instance, hon. members know that we have an arrangement with the federal government whereby they, in essence, collect our personal income tax and corporate income tax and we get projections from the federal people. They have a large staff for this purpose and we get updating all the time and we have had an update recently actually in regard to corporate income tax and I will not go into that in any great detail, but I will just go to say that the latest update we have had for 1979 - 80, is that we are going to get a bit more from corporate income tax than we anticipated. The latest revised figure in the budget document said roughly \$33.5 million we are going to get, we are going to get actually \$35.5 million. And in the budget we projected that the corporate income tax would appreciably go up in 1979 - 80, up to about \$45.5 million. Well, the latest projection we have on that is that that will not be quite as much but it is only about \$1.5 million less, there still is a very large increase. Now, these projections are being updated all the time and that may even change again but certainly at this point in time and this was quite recent, we still project our corporate income tax will bring in around \$44 million dollars as opposed to the latest one for 1979-80, and often it takes these figures a couple of years to be finalized really. We get adjustments for quite a number of years afterwards, but the latest one for 1979 - 80 was approximately \$35 million. Now, I just want to comment on the iron ore situation. Our information at the present time is that there will be a drop in production of something between 10 and 15 per cent. Again, that may change because there are changing conditions and the Leader of the Opposition is absolutely straight on this because the business activity is a very

DR. COLLING: slippery and a very volatile thing and that my change. But that is not a great drop when one considers that last year iron ore production was quite high, mainly because the previous year there had been a long strike and they were building up their stockpiles again. So last year's iron ore production was very, very, I will not say excessive, but very, very marked and a 10 or 15 per cent drop from that, it really is not all that much of a drop despite the fact that it will cause some temporary hardship in terms of employment. We try to get and measure whether this would make any difference to what we are projecting for the gross domestic product and the information I have is that the drop will not even make any difference. We are projecting our gross domestic product in round figures to be about plus one per cent whereas Canada as a whole is about minus one I think. So, we are quite good in that regard but the information we have at the present time is that change in iron ore production will not make any difference to that plus one per cent in our case. We are a bit protected despite the points that the hon the Leader of the Opposition brought out and I do have some figures here that bear out what I am going to say and I do not think I will bother, really, going into them because I think this flash sheet is available to all hon. members. But we are a bit protected. Our fishery and our forest products even and certainly things like our sales of hydro power, even though that does not render a great deal to the Province, these tend not to be as volatile and changeable as many other aspects of the economy that we do not depend on. For instance motor car sales, they are all up and down, they are the first things to change when a recession comes along. Well, that does not affect us -

MR. JAMIESON: Except through small business.

DR. COLLINS: Yes, except through small business but not nearly as immediate. And the same way, say, in housing this year, we had such a low level of housing last year that we expect to do rather better this year despite a recession. So, we are a little bit out of phase,

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DR. COLLINS:

I suppose, with the big centres of the economy in the United States and in Central Canada but, also, the structure of our economy is such that it often does ride over some of the bumps that the Central Canadian economy has thrown in its way. And of course the other thing here is that there

DR. J. COLLINS:

is this development offshore. If there is anything out there, we are getting near a production phase for that, so I think that this will boost us in terms of even the small spinoff. And I heard of a rather interesting small spinoff today. I may have mentioned it to one or two hon. members. I am informed by a jeweller in town that he is getting a very useful and significant spinoff from offshore, because the workers who do come in here tend to have a lot of personal jewellery and this sort of thing which they have to get insured and they have to get it revalued to get an insurance. And he somehow collared this little spinoff market and he is doing very well, thank you, out of revaluing this personal jewellery and watches and God knows what all. So the offshore activity will have unexpected spinoffs here, and this again, will tend to help us over this year that is coming up.

Mr. Chairman, I think that is all I wish to say and I wish to move the adoption of the resolution and the bill subsequent thereto.

Motion, that the Committee report having passed the resolution and a bill consequent thereto, carried.

RESOLUTION

That it is expedient to bring in a measure to amend The Insurance Companies Tax Act.

MR. CHAIRMAN:

Shall the resolution carry?

The hon. the Minister of Finance.

DR. J. COLLINS:

A word or two on this.

Mr. Chairman, the resolution that we are considering says, 'it is expedient to bring in a measure to amend The Insurance Companies Tax Act, and there are two aspects to this. One is that we are bringing in an amendment whereby the exemption given to non-profit organizations is withdrawn. Now, that may seem a rather strange thing to do, but when the tax on insurance companies was raised from 2 per cent to three per cent we had representations from a wide

DR. J. COLLINS: range of insurance companies and one of the points they brought out to us was that they are in quite clear competitive position with the non-profit organizations for life and health and, for instance, Blue Cross. And this is a direct competitive situation. And they made a very good point. There did not seem to be any particular reason why Blue Cross should be given special consideration. Their rates are not all that much different in terms of the customer. The exemption they did have was an amendment brought in a number of years ago, so in effect, this amendment will just remove that concession which did not seem to have any particular benefit, certainly not to the average person.

The other part of this is that it is just to straighten out the effect of this. When the original amendment was brought in, it was intended that the tax would start as of the 1st of August. Well, the way the actual amendment went in, it was not clear that it was the 1st of August, it could be the 1st of January. That was never the intent of the amendment brought in last year, so the second part of this amendment is to clarify that and show that 2 per cent will be collected for a certain percentage of the year and the 3 per cent for the remaining percentage of the year.

Motion, that the Committee report having passed the resolution and a bill consequent thereto, carried.

MR. W. MARSHALL:

Motion 4, Bill No. 48.

RESOLUTION

That it is expedient to bring in a measure to authorize the raising from time to time by way of loan on the credit of the province the sum of one hundred and twenty million dollars (\$120,000,000.00) and such additional sum or sums of money as may be required to retire, repay, renew or refund securities issued under any Act of the province.

MR. CHAIRMAN: (Butt)

Shall the resolution carry?

The hon. Minister of Finance.

DR. COLLINS:

The resolution before the Committee

states as follows: "That it is expedient to bring in a measure to authorize raising from time to time by way of loan on the credit of the Province the sum of \$120 million and such additional sum or sums of money as may be required to retire, repay, renew or refund securities issued under any act of the Province".

Mr. Chairman, hon. members will remember that the total borrowing requirements in the 1980 Budget were, in round figures, \$290 million. Now, we can borrow at quite good rates, actually Government of Canada rates, roughly \$48 million from the Canada Pension Plan and from other federal government sources. That means that from the capital market we would have to borrow \$241 million. We have already borrowed up to this time \$125 million. Therefore, the residual amount works out to \$116 million and the loan bill rounds that out to \$120 million. That is how that figure was arrived at. If I might just comment very, very briefly on how the total borrowing requirements came about; the capital budget, the net capital expenditure is just over \$153 million, but we have anticipated that we will get a contribution, current account, of over \$12.5 million so that would be a balance for the capital part of the Budget of \$140 million. We expect to retire loans of \$122 million approximately and also sinking fund requirements will take another \$27 million so that all adds up, as I mentioned, to \$290 million - will be our total borrowing program for the year.

Motion, that the Committee report having passed the resolution and a bill consequent thereto, carried.

MR. MARSHALL:

Motion 5, Bill No. 40.

RESOLUTION

That it is expedient to bring in a measure further to amend The Loan and Guarantee Act, 1957, the Act No. 70 of 1957, to provide for the advance of loans to and the guarantee of the

repayment of bonds or debentures issued by or loans advanced to certain corporations.

MR. CHAIRMAN: (Butt) Does the resolution carry?

The hon. the Minister of Finance.

DR. COLLINS: Mr. Chairman, the resolution before the House, "That it is expedient to bring in a measure further to amend The Loan and Guarantee Act, 1957, to provide for an advance of loans to and the guarantee of the repayment of bonds or debentures issued by or loans advanced to certain corporations". Mr. Chairman, in the bill itself there is laid out there the various loans and guarantees that the Province has made. There is an explanatory note there. I do not know if there is anything further I can add at this time. I think all I need to do is to say that if there is any information on any specific one that is required, I will certainly attempt to answer it. Well, I think that is all I can usefully say at this time.

MR. NEARY: Mr. Chairman, that certainly is not a very -

MR. CHAIRMAN: The hon. member for Lapoile.

MR. NEARY: - that certainly is not a very good explanation for the introduction of this bill. Obviously the hon. Minister of Finance (Dr. Collins) has not familiarized himself with the bill or he would have given us some more details on these loans, which are quite substantial, Mr. Chairman.

Now, the first question I want to ask the minister is about the loans to T.J. Hardy to purchase three mid-water trawlers, one of which now is on the bottom, the Barracudina. Now, what happens in that case? Is that loan written off? Does Mr. Hardy have to -

DR. COLLINS: Well, no. He had an insurance policy on that.

MR. NEARY: Well, all right, I am asking the minister. I want him to get up on his feet and answer us, that we should have gotten that

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MR. S. NEARY: information in the preliminary -

MR. W. MARSHALL: If the hon. member will permit that is answered right here in the explanatory note exactly the - In November 1978 the M.V. Barracudina sank. Following the tragedy the loan plus accrued interest was paid on May 28, 1979 - from the insurance proceeds. The Sand Launce and Blue Hake loans are currently up to date. So, we have given all the information as is in accordance with our usual custom. Read the explanatory note -

MR. S. NEARY: Yes, I am reading the explanatory note.

MR. W. MARSHALL: Yes, well that answers your question.

MR. S. NEARY: Well, who collected the insurance from the -

MR. W. MARSHALL: It has been paid into the - It has been paid so the guarantee is wiped off.

MR. S. NEARY: So the Barracudina now is over and done with. That boat is paid off.

MR. W. MARSHALL: Yes.

MR. S. NEARY: Well, perhaps then I could ask the hon. gentleman this question that is not in the explanatory notes. How much did it cost to build these three boats?

MR. W. MARSHALL: But it is there.

MR. S. NEARY: Is that in the explanatory notes? How much did it cost?

MR. W. MARSHALL: The total amount of the loan is there.

MR. S. NEARY: I am not talking about the loan, I am talking about the cost of building the boats. What was the total cost? The Barracudina was sold for \$199,500, the Sand Launce was sold for \$194,000, the Blue Hake was sold for \$216,000. How much did it cost to build these boats?

MR. W. MARSHALL: All we are concerned with is the amount of money that is owed.

MR. S. NEARY: Oh, Mr. Speaker, I am more concerned - were public tenders called for these boats?

MR. W. MARSHALL: This is a guarantee of a loan. Is the hon. gentleman really - The hon. gentleman has not read the explanatory notes obviously. And it is here for the hon. gentleman to see. There have been guarantees of loans required by T. J. Hardy and this government. It is in the hon. gentleman's district. I know he is interested in it as we are very interested in the fostering of the fishery in that area. They are there, they have been guaranteed. As he reads the explanatory notes all is set forth there.

MR. S. NEARY: No, Mr. Chairman, the information I am looking for is not in the explanatory notes. These boats were sold for much less than it cost to construct them. I understand that it cost \$1,200,000 or \$1.25 million each to construct these three boats, over \$3 million. And they were sold for less than \$500,000. The three of them were sold for \$500,000. Now, why did this happen, Mr. Chairman? Why did the government practically give the boats away? It cost over \$3 million to construct the boats.

AN HON. MEMBER: \$3.5 million.

MR. S. NEARY: \$3,5 million. They were sold for \$500,000 or less. That is one question I would like to have answered. National Sea Products, now that is the La Scie United Nail and Foundry. Now, Mr. Chairman, what about the United Nail and Foundry Company loan. The Order in Council said, "Authorized a direct loan or guaranteed bank loan of up to \$125,000 to finance the company's operating losses or to improve the company's line of credit." To date \$105,000 has been drawn down in direct loans. These loans are payable on a demand basis. What is the criteria for granting this kind of a loan? Who can qualify for this kind of a loan?

MR. S. NEARY: Or is United Nail and Foundry Company in a class by itself?

MR. W. MARSHALL: No, No.

MR. S. NEARY: It is not.

MR. W. MARSHALL: No.

MR. S. NEARY: What other benefits do United Nail and Foundry get? Do they get the preferential treatment when it comes to electricity rates?

MR. W. MARSHALL: The hon. gentleman is embarrassed. I think the hon. gentleman is a bit embarrassed because he did not read the explanatory note in the first place.

MR. S. NEARY: I am reading the explanatory note. Order in Council number 165-79 authorized a direct loan, a guaranteed bank loan of up to \$125,000. Now, what I am asking the hon. Minister of Finance is to tell me the guidelines, the terms of reference, the criteria that is used to grant a loan of this magnitude to United Nail and Foundry. Can any company who is running into financial difficulty come to the government and get the government to bail them out like United Nail and Foundry?

MR. W. MARSHALL: No.

MR. S. NEARY: They cannot do it. Well, why United Nail and Foundry? That is what I am asking.

MR. W. MARSHALL: Employment potential and employment given the people, that is what we look at.

MR. S. NEARY: The employment potential. I am asking the Minister of Finance to give me an explanation. It may be all aboveboard, there may be no politics involved in it, it all might be straightforward. It may be the employment picture -

MR. J. CARTER: How many nails did you use on Bell Island?

MR. NEARY: - but I am asking the hon. gentleman to explain it to me, why United Nail and Foundry gets the preferential treatment.

MR. MARSHALL: Okay, we will answer that.

MR. NEARY: Can any company come to the government and get similiar treatment?

MR. MARSHALL: No.

MR. NEARY: Well, all right, I will let the minister answer it and then I will come back to a couple of more questions.

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

DR. COLLINS: Mr. Chairman, the hon. member asked about the T.J. Hardy and Company vessels, The Barracudina. What happened there, the vessel sank, the company received the proceeds from the insurance that was carried on the vessel but a provision in the mortgage was that in such a case the mortgage had to be immediately paid off. So when that happened the Province immediately got paid off its first mortgage on that vessel out of the insurance proceeds. That was the situation there. Now those vessels were owned originally by the Department of Fisheries and they were sold to the company. I do not have at hand, really, what their original cost was. Perhaps the Minister of Fisheries might be able to say that. But I would expect that the amount of equity that the company had in plus the mortgage on the vessel did essentially cover the full cost of the vessel. I do not believe, and I am pretty certain that this was the case, that there was any significant grant given to the company when these vessels were handed over. I think that the company's equity plus the mortgage taken out actually covered the cost of the vessels.

Now, in regard to the United Nail Foundry, this is a long established company. It got into difficulty. It came to government for some working capital and government carried

DR. COLLINS:

out an assessment. It determined that there was certain weakness of management there, it determined that there was a market there. For instance, this particular company makes manhole covers and all that sort of thing. So there is a legitimate market for it. And it was assessed that with some changes in management which the company agreed to and with certain dropping of lines that were non-profitable and concentrating on their strengths that this might be able to be turned around. There was a significant employment factor involved and government elected, on the basis of advice received from the officials who assessed this and from the government's own assessment, to enter into these guarantees and direct loans. Now whether it will be successful I do not know. Perhaps it will not, perhaps it will. Government in the past has backed certain companies that turned out to be quite successful after a lean period. It has also backed companies that unfortunately did not weather the storm. I do not know whether it will be the case here but it was certainly not done in any haphazard way, it was done in a financially responsible way.

MR. CHAIRMAN (BUTT):

The hon. member for LaPoile.

MR. NEARY:

Well, Mr. Chairman, I wish the hon. minister had given us that information in the beginning. My statement then is correct, that United Nail and Foundry did receive preferential treatment because the Government House Leader, the President of the Council (Mr. Marshall) indicated that they do not follow that procedure for all companies who come to the government who are in financial difficulty. This is a unique case. And the same way with the one, the George Sexton Limited. Now, I would like to know a little more about that one. And in case the hon. gentleman does not think I read the explanatory notes I will read them out loud.

"Order-in-Council No. 1493- 77

authorized the Province to guarantee a bank loan of \$125,848.33. This loan replaced a previous guarantee for \$122,727.00 plus accrued interest and was issued for a period of five years with monthly payments of \$2,097 to commence in December, 1978. At the present time the balance is

MR. NEARY:

\$125,848 and the arrears on the account are as follows: Principal, \$25,170; Interest, \$7,788 for a total of \$32,958. The Department of Industrial Development and the Department of Finance are following up this matter."

Now, Mr. Chairman, what happened here was that George Sexton Limited - and I do not know what kind of a business it is, I would like for the minister to tell me what is so significant and what is so important about George Sexton Limited that the government had to bail them out - they came to the government obviously for a bank loan back in 1977

MR. S. NEARY: and then they still could not meet their commitments, they still had financial problems and they came back to the government for another loan to retire the previous loan and to pay the interest on the previous loan. Now, that is what it looks like to me. So that is twice they have been in financial trouble. And the minister has not said a word about it, has not given us any explanation at all of why it was necessary for the government to whack out two guarantees for this company, has not even told us what kind of a business it is, how many people they employ, why they got the preferential treatment over other companies in this Province.

Now, I am going to ask the minister again if he would care to give us some information on Item 10, George Sexton Limited. We are completely in the dark, we know nothing about it, we are asked to approve a guarantee of almost \$126,000 with no information to go on. And before I can vote on something like that I would like for the minister to give us a few facts about this guarantee.

MR. CHAIRMAN: (Butt) The hon. the Minister of Finance.

DR. J. COLLINS: Mr. Chairman, the business of the company is a sawmill operation and the government has frequently assisted sawmill operations in various areas of our Province. I do not think there is anything particular about this. It was considered that this sawmill operation had a chance to make the grade. At the present time - there were arrears built up but at the present time those arrears are being paid off at the rate of \$2,000 a month and that is up-to-date at the present time and we anticipate that those payments will continue and get rid of the arrears and then begin to eat into the outstanding balance.

MR. S. NEARY: Are they still operating?

DR. J. COLLINS: They are still operating.

MR. S. NEARY: Where are they located?

DR. J. COLLINS: If anyone has any information I would be grateful for the help. I am not quite certain where they are located.

MR. S. NEARY: The minister came to the House totally unprepared.

MR. G. OTTENHEIMER: It sounds like a Trinity Bay name.

MR. CHAIRMAN (Butt): The hon. the member for Torngat Mountains.

MR. G. WARREN: Yes, Mr. Chairman, I have a question to ask the Minister pertaining to Item No. 4 - National Sea Products.

I understand that the company agreed that over a four year period, since 1978, they would replace the \$500,000 refrigeration system and I am just wondering have they replaced the refrigeration system as of today and how much of the \$2.5 million have the company invested in the LaScie fish plant?

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

DR. J. COLLINS: Mr. Chairman, the company has a four year period. This was entered into in -

MR. G. WARREN: In 1978.

DR. J. COLLINS: - 1978. It has a four year period in which to replace the refrigerator and to commit the other \$2.5 million. I can certainly get the figures on how much they have committed to date but they are quite within their commitments. There was no specific time when they were told this had to be done. As long as it was done within the four year period they kept within their agreement and we have no quarrel with the company on that basis.

MR. G. WARREN: Mr. Chairman.

MR. CHAIRMAN: The hon. the member for Torngat Mountains.

MR. G. WARREN: Mr. Chairman, am I to understand the minister correctly that there is no follow-up, that more or less, when the four years are up we will go and see if the refrigeration is installed, we will find out if the \$2.5 million has been committed to the operation? Surely goodness, there must be some ongoing correspondence and working relationships with the company. A similar question - Is the refrigeration system a new system installed or are they still working on an old system, or what? Does the minister know?

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

DR. J. COLLINS: If the hon. member would give me some idea what is in the back of his mind. Why does he want to know exactly what part of the refrigeration has been replaced? Perhaps I would be able

DR. J. COLLINS: to get a better idea what he is trying to get at.

They are quite within the agreement we made with them. We are in frequent communication with National Sea over this, over many things. National Sea is keeping up to its agreement. It is a good company, a reputable company. They have never let us down. They have not called in their -

MR. G. WARREN: (Inaudible).

DR. J. COLLINS: I am not quarrelling with the basic philosophy but I am just saying on a business basis National Sea has always lived up to its obligations and they are quite within the obligations here.

MR. G. WARREN: Mr. Chairman.

MR. CHAIRMAN (BUTT): The hon. member for Torngat Mountains.

MR. WARREN: Mr. Chairman, I will try one more time. I will ask the minister a straight and forward question. Have National Sea upgraded the refrigeration system in LaScie? Yes or no? Have they done anything with the refrigeration system, yes or no?

AN HON. MEMBER: Definitely no.

MR. WARREN: \$500,000 worth or twenty-five dollars worth?

DR. COLLINS: I have no idea but I can get the figure if the hon. member has any reasonable reason for asking for it. If the hon. member has a reason for asking for it I will be glad to get the figure.

AN HON. MEMBER: We want information.

MR. CHAIRMAN: The hon. member for LaPoile.

MR. NEARY: No, not carried yet, Mr. Chairman. We do not have enough information yet. I want to get some information on item 11. I understand that the federal Department of Industry, Trade and Commerce have bought a substantial chunk of Fishery Products.

MR. JAMIESON: The Canadian Development Corporation.

MR. NEARY: Or the Canadian Development Corporation which is a branch of the Industry, Trade and Commerce.

SOME HON. MEMBERS: No.

MR. NEARY: No. But anyway how does this now affect Fishery Products in this outstanding guarantee? And I would also like to ask the minister if any of this guarantee, any of this money that was put up by the government in U.S. dollars, if any of this was used by Fishery Products to open a processing plant down in Massachusetts for further processing? Now, the hon. Minister of Justice (Mr. Ottenheimer) shakes his head.

MR. OTTENHEIMER: (Inaudible) want me to do?

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: The hon. gentleman probably

MR. NEARY:

was not aware that Fishery Products built a big processing plant down in Massachusetts. I mean the Lakes had one down there for years and Fishery Products, not to be outdone - Mr. Etchegary, not to be outdone by the Lakes had to have his own little empire down in Massachusetts. So, Mr. Chairman, if we are going to spend taxpayers' money let us spend it in Newfoundland, to create employment in Newfoundland.

MR. MORGAN:

You are against spending (inaudible) Province, you are against that.

SOME HON. MEMBERS:

Oh, oh!

MR. NEARY:

The hon. gentleman is talking about apples and oranges.

MR. MORGAN:

No, no.

MR. NEARY:

Apples and oranges.

MR. MORGAN:

No, no not necessarily.

MR. NEARY:

Here we have a Newfoundland firm taking the taxpayers' money, taking the Newfoundland taxpayers' money and going down South of the border and building a big plant down in Massachusetts to process Newfoundland fish.

MR. HOLLETT:

And then invest their profits I guess in the United States.

MR. NEARY:

And then invest their profits, as my hon. colleague reminds me, in the United States. I would assume -

MR. MORGAN:

It is not true.

MR. NEARY:

That is true.

MR. MORGAN:

They invest their profits in Catalina.

MR. NEARY:

They invest some of their profits in the United States. Mr. Chairman, the Minister of Finance (Dr. Collins) has gone out, I presume he is going to try to get me the answer. But what I want to try to find out - and I will be very surprised if this did happen - is if any of this money that was guaranteed for Fishery Products was used to construct this big plant down in the United States. And I will wait for the minister to come back to get the answer. We could talk about the Marystown Shipyards I suppose. I think we are pretty

MR. NEARY:

well up-to-date on that anyway. We could get some late information from the minister in connection with that loan and guarantee. But I thought, Mr. Chairman - oh, the minister is back in his seat, maybe he can give us the information on Fishery Products now.

MR. CHAIRMAN (BUTT):

The hon. Minister of Finance.

DR. COLLINS:

Mr. Chairman, the company is not spending the taxpayers' money. This item refers in no way to the taxpayers' money. This was a guarantee. This is not a grant, this was not a loan. They borrowed the money themselves. We merely guaranteed the loan. There is no taxpayers' money involved here whatever and there will not be unless Fishery Products default on their loan at the bank and it is quite unlikely that they will default on the bank. So it is quite a red herring to say that Fishery Products is using the taxpayers' money to expand and so on.

Now at the time that this guarantee was entered into we had put a director into the company and any capital expenditures are scrutinized by this director as our representative so that the expenditures will be within the Province not outside the Province.

MR. CHAIRMAN:

The hon. member for LaPoile.

MR. NEARY:

Mr. Chairman, the hon. minister did not answer my question in connection with the Canadian Development Corporation. When they received their money from the Canadian Development Corporation did they pay off the Province, pay off the guarantee? Is the Government of Newfoundland still on the hook or did they let the Newfoundland Government off the hook? And what did they do with

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MR. S. NEARY: the money, did they invest it in something else? I mean, all these questions are important and I hope the minister has the answers.

DR. COLLINS: What arrangement they made with the Canada Industrial Development Corporation is of no concern to the Province. As long as they keep within our arrangements, arrangements with us, we are quite content which they have to date.

MR. S. NEARY: Yes, go ahead because I cannot believe what I am hearing there from the minister. They have got - How much did they get 30 -

AN HON. MEMBER: \$34 million.

MR. S. NEARY: \$34 million.

AN HON. MEMBER: \$34.2 million.

MR. S. NEARY: \$34.2 million, now, did they let the Province off the hook or what did they do with this money? Did they invest it in something else?

DR. COLLINS: Did they let the Province -

MR. S. NEARY: And did they consult with the Province before -

DR. COLLINS: (inaudible)

MR. S. NEARY: Well, we are on back of a note here for \$25 million dollars -

DR. COLLINS: For which we receive a fee.

MR. S. NEARY: \$20.5 million have been drawn down.

DR. COLLINS: For which we receive a fee.

MR. S. NEARY: We receive a fee.

DR. COLLINS: Sure, a guarantee -

MR. S. NEARY: Well, what happens to the \$34 million dollars that the Fishery Products got from the Canadian Development Corporation?

DR. COLLINS: That is something between the Fishery Products and the Canadian Corporation.

MR. S. NEARY: Oh, man, the hon. gentleman has to be kidding.

MR. S. NEARY: He has to be kidding. In other words, they take their \$34 million dollars, the Province is still on the hook.

MR. MORGAN: No, no, it is not.

MR. S. NEARY: Oh, I beg your pardon it is according to this. They have drawn down \$20.5 million -

MR. THOMS: Is not \$20 million secured in someway?

DR. COLLINS: Sure.

MR. THOMS: Well, then, we must have left them off the hook or something. I do not know.

DR. COLLINS: Why?

MR. NEARY: Did they come to the Newfoundland government and say "look we are going to enter into some kind of an agreement with the Canadian Development Corporation. Would you please give us permission to do this"? And the government said "Yes. Go ahead but you still owe us \$25 million dollars".

DR. COLLINS: Will the hon. member -

MR. S. NEARY: Yes, give me an explanation because I -

DR. COLLINS: I believe the hon. member is taking the understanding that whatever arrangements the company entered into with Canadian Investment Development Corporation was to roll over this debt. That was not for that purpose this is quite a separate thing altogether. This loan is secured. The guarantee that the Province has with this company is secured on the assets of the company. What security they gave for the other thing is the business of the Canadian Investment Development Corporation and I am quite sure that they wanted their security too. They would not want our security. In return for our giving the guarantee to the company, that is guarantee their bank loan, that the Province receives a fee for that purpose. So we are actually making money on the guarantee that we are giving to the company. This has no relationship to any other loans that the company has with any other organization as long as it does not impinge on our security and it does not impinge on our security. Our security in this regard is quite clear.

MR. S. NEARY: Who got the first mortgage now ?

AN HON. MEMBER: The hon. member of the flip-flop, I think, wanted to ask me a question.

MR. SPEAKER: (Butt) The hon. the Leader of the Opposition.

MR. D. JAMIESON: Perhaps I can - I agree with the hon. member for Lapoile (Mr. Neary) I think it is important but I guess the question that might be able to resolve the matter is that presumably Fishery Products, prior to the intervention of the Canada Development Corporation, had a certain corporate structure. I presume that there is no obligation on the part of Fishery Products to get the permission of the Government of Newfoundland before it significantly changed its corporate structure. Because what it did was it, in effect, sold off what I understand to be 40 per cent. What the hon. the Minister of Finance (Dr. Collins) is saying to me, at least as I understand him, is that their arrangement, that is the Newfoundland government's arrangement, is with the corporation. But the Fishery Products Corporation does not have to get or did not get the permission of the Newfoundland government to change its corporate structure. And the second question that I want to ask is, is there any requirement, for instance, had it been 51 per cent, or could the whole of Fishery Products in terms of control have been moved to some other owner without the government of Newfoundland either having any say in the matter or being in any way involved. Just to try to be as clear as I possibly can, it would seem to me to be unlikely that the government of Newfoundland, even though as the hon. minister says they may be making a profit or getting a fee, that it would be unlikely that they would allow a particular corporation with which they made a deal to fall into other hands that they might not be quite prepared to have the same willingness to guarantee the loan for. So, was there any conversation between the Fishery Products and the government of Newfoundland before Canada Development Corporation bought it at the rate of 40 per cent. I am not arguing, by the way, about - I think

MR. JAMIESON: the wisdom of having the Canada Development Corporation is a very good one. In fact, I am surprised there is even a Tory in the House who is not just denouncing it all over the place because they all thought this Canada Development Corporation was for the birds.

MR. NEARY: Yes, but we are giving them 40 per cent of our security.

MR. JAMIESON: That is part of my question. Are we or are we not giving away 40 per cent of our security? As I understand it, what you are saying is that the Canada Development Corporation assumes its share now of the total, in other words, 40 per cent as opposed to Fishery Products having previously 100 per cent. Is that right?

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

DR. COLLINS: Mr. Chairman, the Minister of Industrial Development (Mr. Barry) may have something to add to this but the company, Fishery Products, has a loan with a bank, and the bank requires security or it would not give the loan. It also wished to have a government guarantee which we supplied for a fee. The bank has a security because that is a bank loan and we are guaranteeing the bank loan. Now, the arrangement with the Canada Development Corporation does not weaken this company, it strengthens the company. It increases the financial resources of the company so that our guarantee is not weakened by a strengthening of the company. Our guarantee is strengthened by strengthening the company, because our guarantee is related to the corporation. It is not related to the structure of the corporation. We do have, as I mentioned, a director on the board. The director reports to government any significant points of interest and, in particular, any new capital investment that the corporation has to enter into has to be brought to the attention of the director and the director, naturally, informs the company.

I do not know if the Minister of Industrial Development wants to add to that.

MR. CHAIRMAN: The hon. member for Lapoile.

MR. NEARY: Can the Minister of Fisheries (Mr. Morgan) tell us who the director is on the Board of Directors of Fishery Products representing the taxpayers of this Province?

MR. MORGAN: The Deputy Minister of the Department of Fisheries.

MR. NEARY: Who is it?

MR. MORGAN: The Deputy Minister, Gordon Slade.

MR. NEARY: He is the director?

MR. MORGAN: Yes.

Motion, that the Committee report having passed the resolution and a bill consequent thereto,

carried.

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

MR. SPEAKER: (Simms) The hon. the member for Conception Bay South.

MR. BUTT: Mr. Speaker, the Committee of the Whole reports that it has considered the matters to it referred and directs me to report that it has adopted certain resolutions and recommends that bills be introduced to give effect to same.

On motion, resolutions read a first and second time.

MR. SPEAKER: Shall we do all these third readings together?

Is it agreed?

Agreed.

On motion, the following bills were read a first, second and third time, ordered passed and their titles be as on the Order Paper.

"An Act To Amend The Tobacco Tax Act, 1978" (Bill No. 37)

"An Act To Amend The Income Tax Act" (Bill No. 43)

"An Act To Amend The Insurance Companies Tax Act" (Bill No. 38)

"An Act To Authorize The Raising Of Money By Way Of Loan By The Province" (Bill No. 48)

"An Act To Amend The Loan And Guarantee Act, 1957" (Bill No. 40)

MR. SPEAKER: (Simms) The hon. the President of the Council.

MR. W. MARSHALL: Mr. Speaker, I move the House at its rising do adjourn until tomorrow, Wednesday at 3:00 P.M. and that this House do not adjourn.

MR. JAMIESON: And the sequence?

MR. MARSHALL: If Private Members' Day - tomorrow, I guess, we can go on government business. I believe that has been agreed.

With consent tomorrow we will be considering then the Newfoundland and Labrador Petroleum Corporation Bill, Order 39. And then there are two other motions 6 and 7 after if there is time.

MR. JAMIESON: Why not 6 and 7 and get them out of the way.

MR. W. MARSHALL: Well, we hope that 7 will be up by tomorrow. So if we can we can arrange that tomorrow so we will do it in that order, okay, or the other order. At least we will be considering it, hopefully, tomorrow.

MR. SPEAKER: So it is agreed that Private Members' Day tomorrow will be dispensed with to carry on with other legislation.

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On motion the House at its
rising adjourned until tomorrow, Wednesday at 3:00 P.M.

I N D E X

ANSWERS TO QUESTIONS

TABLED

JUNE 3rd, 1980

FY 1979-80

T R A N S P O R T A T I O N

DEPARTMENT	NAME	POSITION	PLACE OF ORIGIN	DATE OF TRAVEL	EXPLORATORY VISIT	HEAD OF HOUSEHOLD & FAMILY	HOUSEHOLD FURNITURE	VEHICLES	PETS, ETC.	REAL ESTATE	LEGAL FEES	TOTAL
Education	H. Parsons	Forestry Instructor	Nova Scotia	79-09-11	N/A	\$ 149.00	\$ 1992.00	N/A	N/A	N/A	N/A	\$ 2141.00
	E. Fullerton	Foods & Home Management Instructor	Nova Scotia	79-09-10	N/A	\$ 461.00	\$ 635.00	N/A	N/A	N/A	N/A	\$ 1096.00
												\$ 3237.00
Finance	M. Huntley	Director of Fiscal Policy	Return to Ottawa	79-08-21	N/A	\$ 3248.00	\$ 4909.00	N/A	\$98.00	N/A	N/A	\$ 8255.00
	E. Marshall	Management Analyst III	Nova Scotia	79-08-03	N/A	\$ 719.00	\$ 1675.00	N/A	N/A	N/A	N/A	\$ 2394.00
												\$10,649.00
Forest Resources and Lands	R. Brake	Project Manager	Nova Scotia	79-09-03	N/A	\$ 622.00	\$ 1344.00	N/A	N/A	N/A	N/A	\$ 1966.00
	J. Vanderhulst	Soils Surveyor	Toronto	79-06-17	N/A	\$ 329.00	\$ 325.00	N/A	N/A	N/A	N/A	\$ 654.00
	M. McKnight	Soils Surveyor	Ontario	79-04-14	N/A	\$ 1317.00	\$ 4652.00	N/A	N/A	N/A	N/A	\$ 5969.00
	W. Alexander	Project Manager	British Columbia	79-09-28	N/A	\$ 625.00	\$ 350.00	N/A	N/A	N/A	N/A	\$ 975.00
	N. MacNaughton	Director of Surveys	Fredericton	79-07-02	\$ 705.00	\$ 1449.00	\$ 5584.00	N/A	N/A	\$2450.00	\$ 830.00	\$11,018.00
	G. Fleming	Forest Utilization Specialist	Alberta	79-04-11	N/A	\$ 1448.00	\$ 8562.00	N/A	N/A	\$4220.00	\$1124.00	\$15,394.00
	A. Stewart	Soil Surveyor	Montreal	79-07-27	N/A	\$ 949.00	\$ 2214.00	N/A	N/A	N/A	N/A	\$ 3163.00
	C. John	Management Specialist	Guyana	79-08-31	N/A	\$ 1267.00	N/A	N/A	N/A	N/A	N/A	\$ 1267.00
												\$40,406.00

5378

T R A N S P O R T A T I O N

DEPARTMENT	NAME	POSITION	PLACE OF ORIGIN	DATE OF TRAVEL	EXPLORATORY VISIT	HEAD OF HOUSEHOLD & FAMILY	HOUSEHOLD FURNITURE	VEHICLES	PETS, ETC.	REAL ESTATE	LEGAL FEES	T O T A L
5379	M. Webster	Senior Medical Officer	England	79-08-29	N/A	\$ 1806.00	\$ 1376.00	N/A	N/A	N/A	N/A	\$ 3182.00
	Peter Cooney	Dentist	England	79-09-16	N/A	\$ 793.00	N/A	N/A	N/A	N/A	N/A	\$ 793.00
	I. Virji	Dentist	England	79-09-28	N/A	\$ 1102.00	N/A	N/A	N/A	N/A	N/A	\$ 1102.00
	W. Witherall	Dentist	Scotland	79-07-03	N/A	\$ 2653.00	\$ 6126.00	N/A	N/A	N/A	N/A	\$ 8879.00
	E. Swanson	Director of Health Nutrition	British Columbia	80-02-17	N/A	\$ 413.00	\$ 958.00	\$ 600.00	N/A	N/A	N/A	\$ 1971.00
	L. Furner	Dentist	England	78-11-08	N/A	\$ 1932.00	\$ 5745.00	N/A	N/A	N/A	N/A	\$ 7677.00
	F. Gelter	Public Health Inspector	Toronto	80-03-21	N/A	\$ 868.00	N/A	N/A	N/A	N/A	N/A	\$ 868.00
	A. Ludlow	Director of Hospital Services	Ottawa	79-03-06	N/A	\$ 2060.00	\$ 5061.00	N/A	N/A	\$ 2955.00	\$ 1999.00	\$ 12,075.00
												\$ 36,447.00
<u>Industrial Development</u>	R. Johnson	Director of Financial Services	Toronto	79-05-25	\$ 551.00	\$ 2101.00	\$ 5214.00	N/A	N/A	\$ 5160.00	\$ 1871.00	\$ 14,897.00
												\$ 14,897.00
<u>Labour & Manpower</u>	S. Koscevic	Mines Inspection Engineer	Manitoba	80-01-30	N/A	\$ 2306.00	\$ 10,750.00	N/A	N/A	N/A	N/A	\$ 13,056.00
												\$ 13,056.00

T R A N S P O R T A T I O N

DEPARTMENT	NAME	POSITION	PLACE OF ORIGIN	DATE OF TRAVEL	EXPLORATORY VISIT	HEAD OF HOUSEHOLD & FAMILY	HOUSEHOLD FURNITURE	VEHICLES	PETS, ETC.	REAL ESTATE	LEGAL FEES	TOTAL
<u>Mines & Energy</u>	W. Porter	Assistant Deputy Minister	Ottawa	79-04-01	\$ 716.00	\$ 877.00	\$ 5474.00	N/A	N/A	\$6339.00	\$2021.00	\$15,427.00
	M. Sheppard	Petroleum Geologist	Alberta	79-09-30	N/A	\$ 1564.00	\$ 7260.00	N/A	N/A	\$4350.00	\$ 449.00	\$13,623.00
												\$29,050.00
<u>Municipal Affairs and Housing</u>	D. Knight	Senior Planner	Toronto	79-04-26	\$ 501.00	\$ 247.00	\$ 5542.00	N/A	N/A	N/A	N/A	\$ 6,290.00
												\$ 6,290.00
<u>Social Services</u>	P. Fraizer	Social Worker II (for Cartwright)	Nova Scotia	79-06-20	N/A	\$ 204.00	N/A	N/A	N/A	N/A	N/A	\$ 204.00
												\$ 204.00
<u>Transportation & Communications</u>	J. Curren	Engineer I	Nova Scotia	79-05-23	\$ 462.00	\$ 455.00	N/A	N/A	N/A	N/A	N/A	\$ 917.00
	E. Therioult	Engineer I	Nova Scotia	79-05-22	\$ 96.00	\$ 584.00	\$ 680.00	N/A	N/A	N/A	N/A	\$ 1,360.00
	L. Crowell	Engineer I	Nova Scotia	79-05-20	\$ 440.00	\$ 305.00	\$ 1406.00	N/A	N/A	N/A	N/A	\$ 2,151.00
												\$ 4,428.00
<u>Consumer Affairs & Environment</u>	J. Robinson	Hydrogeologist	Ontario	79-01-14	\$ 668.00	\$ 2543.00	\$ 6268.00	\$ 505.00	N/A	N/A	\$1000.00	\$10,984.00
												\$10,984.00
TOTALS												\$169,648.00

5380