

PRELIMINARY
UNEDITED
TRANSCRIPT

HOUSE OF ASSEMBLY
FOR THE PERIOD:
10:00 a.m. - 1:00 p.m.
FRIDAY, JULY 2, 1982

The House met at 10:00 A.M.

Mr. Speaker in the Chair.

MR. SPEAKER (Russell): Order, please!

ORAL QUESTIONS

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

MR. NEARY: Mr. Speaker, sometime in the next week to ten days this House will wind down and close for the Summer and we will probably be not coming back until some time late Fall. I wonder if the hon. Premier could give us an accounting of the economic condition of the Province at the present time? The state of the forest industry and the state of the fishery, and the state of the mining industry? Everything seems to be collapsing down around the ears of the administration, and the people have nothing to look forward to for the next several months. Could the hon. gentleman tell us what measures, if any, will be brought into this House before it closes to deal with the crisis in the economy of this Province that we have at the present time?

MR. SPEAKER: The hon. the Premier.

PREMIER PECKFORD: Mr. Speaker, it is an appropriate question because this morning we are introducing legislation to try to save Baie Verte, and that is one of the chief areas in the mining industry that is in trouble. There are mines closing down all around the world and we are going to take our lumps with everybody else. It is not falling down around the ears of the administration. The economy from Bonavista to Vancouver Island is in bad shape.

In the fishing industry, as everybody knows we have taken decisive action all through the Spring to assist fish companies and we still are. These were small and medium sized companies. We did help the Lake Group out earlier on

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PREMIER PECKFORD: at Ramea. We have negotiated the Burgeo situation with National Sea. And we are into fairly intensive negotiations now, the Minister of Finance (Dr. Collins), the Minister of Development (Mr. Windsor) and the Minister of Fisheries (Mr. Morgan), on the Fishery Products circumstance. We are trying to deal with the Nickerson circumstance.

Then, in the midst of
all of that,

PREMIER PECKFORD: the problems that we have had in the fishery in the last six or eight months, there is a fair amount of fish around. I mean, May month was very good in most parts of the Province, and June also. So there has been a fair amount of fish, Lobsters perhaps are only about fair to medium this year around the Province, but the price stayed up fairly good. In my own constituency it was a fair lobster season, it was not excellent but the prices were not all that bad, and there has been a fair amount of fish. I think in rural Newfoundland there is less a perception of doom and gloom than there is in the larger centres.

So on the fishery, we have been dealing with it, and the three ministers from a Cabinet committee that has been dealing with it sort of on a daily basis and coming to Cabinet with proposals to try to salvage the small and medium sized companies. The Newfoundland Quick Freeze went and we helped out two or three companies that came in and picked up these plants that Newfoundland Quick Freeze had. We have dealt with Mr. Janes out in Hant's Harbour two or three times. We have dealt with, as I said, with the Lake Group, we have dealt with a lot of other companies besides around the Province, the smaller companies, and the Quinlans and the Earles and the rest. And we are still dealing now with Fishery Products Limited, who are connected with CDC, and meetings are going on there. But once again, you know, all the companies have problems, financial problems, and the South Coast plants as well where some close downs have occurred due to poor markets and that. So we are trying to deal with it as best we can and we are meeting with the companies on a regular, almost daily basis.

I have had meetings myself on the forestry industry and the markets are soft there in the forestry industry, as the Leader of the Opposition

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PREMIER PECKFORD: (Mr. Neary) knows. As a matter of fact, Abitibi-Price just closed down the Sault Sainte Marie plant. And I have had meetings in Toronto with Mr. Gimlin, the present Chairman of the Board of Abitibi-Price. They were going to go ahead with the second machine at Grand Falls and it got delayed because of the economic down turn.

One of the bright spots in the forestry industry was the support that the rank and file of the Papers Workers Union gave the company by rejecting the recommendation from the union leaders to go out on strike - they did not-which is different than British Columbia. So there is some stability now in that forest

PREMIER PECKFORD:

industry but you do not know where it is going to go down the road because the markets could change. Abitibi-Price have not given up on going with that second machine. Labrador City-Wabush continues to be a real concern to all of us I guess. So we are trying to deal with it, Mr. Speaker, as best we can and. As problems come up and we can identify them and clearly see where they are, we will take appropriate action, as we are doing in Baie Verte, as we have done in the fishing industry. In certain parts of the forest industry it is difficult for us to do anything. There is nothing we can do to make people buy more paper or improve the situation. It is the same way in the iron ore industry, there is very little we can do there.

So our capital budget reflects that we realize that there are problems because our capital budget is up by perhaps \$15 million over what we had predicted in our five year plan for this year. We are up to perhaps a net capital outlay of \$175 million or \$180 million as opposed to \$150 million or \$160 million. So there is \$15 million or \$20 million of extra money being spent around the Province.

Cat Arm, I think the tenders have closed. I do not know if the contract was awarded for the drilling section of it and once again there we ran into problems with the road and we were longer getting in - Hydro was longer getting into the site and therefore you could not call the other tenders until you got the site. But that seems now to have resolved itself and there will be a steady increase in the employment levels at Cat Arm, peaking at perhaps 700 or 800 in September or October of this year. I think that is a great boost to the Central/Western Newfoundland area. Upper Salmon is still underway but after this year will be winding down. But it is a difficult time for everybody and we are doing what we can on the fishery, guaranteed loans, trying to keep companies

PREMIER PECKFORD: alive. The forest industry, we have very little control over but we are doing what we can. Bowaters and ourselves have been involved in a fair amount of reforestation around the Province and they have gone with contracts for reforestation. And I know out in my area, and some other areas, there has been a lot of work generated in this reforestation area. The mining industry, we are trying to do what we can in Baie Verte. It is going to continue to be a problem in Labrador City-Wabush, and Buchans continues to experience a lot of problems.

So there are problems there that are beyond our control. Where they can be within our control and where we can help, we will try to do it within our means. But I agree that we are into difficult times and we are trying to do the best we can.

MR. NEARY: Mr. Speaker.

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

MR. NEARY: Mr. Speaker, I asked the hon. gentleman a question of a general nature and, of course, I got an answer of a general nature that I expected to get and we did manage to get some information. And it would appear that our thinking is right on this side of the House, that the administration is lurching from crisis to crisis, merely sticking their finger in the dike every opportunity they get, and that they have no real plans for the future development,

MR. NEARY:

whether it be short-term or long-term development of this Province.

Now let me get down to a few specifics here. The hon. gentleman mentioned the Fishery Products circumstance. I am not sure what he meant by that.

MR. TULK:

They covered it up.

MR. NEARY:

Yes. I would like for him to elaborate on that. And Newfoundland Quick Freeze, he talked about the giveaway there. Could the hon. gentleman tell us when the fish plant will open in St. Bride's in connection with that giveaway programme? And are there any plans at all for the development of the -

MR. MORGAN:

The plant in St. Bride's has been open for weeks.

MR. NEARY:

Well, the week before last they got four hours. I do not know if you would call that open or not. And, Mr. Speaker, the information that I have is that the people of St. Bride's are going to get shafted because that part of that deal is not going to be lived up to.

MR. WARREN:

That is right.

MR. NEARY:

The hon. member knows that. But, Mr. Speaker, let me come back to the Lower Churchill. You know, will there be any developments happening or taking place this year in the Lower Churchill? Or will there be anything in connection with the transmission line to bring the Labrador power, whether it is recall power or power developed on the Lower Churchill or the Muskrat, to the Island of Newfoundland? Could we not this year - and the money is there. Ottawa is participating in the project - could we not start that transmission line and try to get some people employed?

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

PREMIER PECKFORD: You know, Mr. Speaker, I am prepared to co-operate with the Leader of the Opposition and with all the members in the Opposition. I am trying to deal as responsibly as we can with the issues. But if the Leader of the Opposition just wants to criticize for the sake of criticizing, well then it makes it more difficult for us to try to be responsible here. We are all human. But let us deal with them one at a time. The hon. member mentioned Fishery Products. All the fish companies that do business in this Province are in trouble, that is no great news to anybody, and we are trying to deal with them as best we can as they come up. We have dealt with the Lake Group and we are still trying to deal with that. And we have dealt with Newfoundland Quick Freeze. And then when we do something the Leader of the Opposition says we gave it away, and yet he wants us to build a transmission line from Labrador down to the Island without knowing whether you have any power to put through it. So on the one hand if you do something you are giving it away and if you do not do anything then it is all falling down around your ears. So, I mean, it is hard to know what you are suppose to do. You are not supposed to do anything because you would be giving it away. So on Fishery Products all I am saying is that there are negotiations underway with Fishery Products Limited to ensure the maximum utilization of their facilities for the people of Newfoundland during this fishing season. And we are on top of it, monitoring it day by day, and I am kept informed on it on almost an hourly basis on the phone or in person if I am here in the Province. So we are dealing with it. We have dealt with Baie Verte.

MR.NEARY: What kind of problems do Fishery Products have?

PREMIER PECKFORD: They have financial problems. You know, the Leader of the Opposition knows all the companies have financial problems.

MR. NEARY: Do they have any marketing problems?

PREMIER PECKFORD: There might be marketing problems on a couple of species, as they have always had, but generally speaking there is not, but there are in certain areas. Perch, I think, might be the one where the problem is.

On Baie Verte, I mean, the Minister of Development (Mr. Windsor) and the member for Baie Verte - White Bay (Mr. Rideout) have themselves beat out, being outside the House, which I did not like, when they should have been in the House, trying to deal with Baie Verte. And we have a bill to put there today. On St. Bride's, we are trying to do the best we can with the St. Bride's fish plant, and the Minister of Fisheries (Mr. Morgan) has been meeting three and four delegations a day trying to deal with that and trying to respond as responsibly as we can, as in every other field. But on the Lower Churchill, the Leader of the Opposition - you know, you cannot put all your eggs in one basket of a big project that is going to solve all our problems. I mean, we have been down that road for twenty or thirty years and found it to be wanting. And you cannot go starting a transmission line unless you know that you have a market for it and unless you know that the consumer of electricity in Newfoundland is going to be prepared to pay a high price for that electricity.

PREMIER PECKFORD: The Lower Churchill is very expensive power now these days. Muskrat Falls will come in at perhaps 70 or 80 mils per kilowatt hour; that is at site. The consumer in Newfoundland is paying somewhere between 30 perhaps and 40 mils per kilowatt hour now. So what we have to try to do if we are going to keep people to still have a disposable income is to try to bring to them the cheapest power possible. The cheapest power possible now, additional power outside of Cat Arm and the Upper Salmon - and do not forget, perhaps the largest project in Canada going today is Cat Arm, outside of a couple of extensions to Petro-Canada complexes in Edmonton. Do you know that today, Mr. Speaker, the largest resource development project in Canada is Cat Arm?

SOME HON. MEMBERS: Hear, hear!

PREMIER PECKFORD: It is. And if you add the Upper Salmon to that and add up the totals there, the Newfoundland Government is putting out more money for job creation and for resource development than almost any other province in Canada, especially if you base it on our ability to pay. It is incredible!

So on the whole question of power - and I am sure the Leader of the Opposition understands this - what we have to do, Mr. Speaker, is simply this, that with that Water Reversion Act, which was ruled three to nothing in our favour and is now going to the Supreme Court of Canada - and thankfully the Supreme Court of Canada is going to hear that in September and, you know, the timing is good on that - and if we get a favourable decision there and if we can put the full concept together, if you can bring down Upper Churchill 3.5 mil power and add your transmission costs to it, into Lake Melville or on down with a

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PREMIER PECKFORD: transmission line once you
know that, then you can finance it, but you are not
going to be able to finance it before the fact. Then
you can bring power of 30 or 40 mils per kilowatt hour
to the Island and stabilize electricity

PREMIER PECKFORD:

rates for the long-term. Or do you want to go and put your eggs in the basket of Lower Churchill, which is forty or fifty miles at site, plus twenty, you are up to seventy or eighty miles per kilowatt hour, I mean that is crazy. The Newfoundland consumer would never stand for it. So we have got to try to have as our priority in our power policy the Upper Churchill. It must be our first priority; otherwise we are really, really being naive about it all. It is going to be too expensive, you would never raise the money. We are doing a feasibility study with Anaconda Aluminum to try to access some industrial customer for some of the power we would get back on the Upper Churchill, and that will be completed by the end of the year. At St. Bride's we are doing what we can, Fishery Products are meeting with them daily to try to resolve their problems. The Lower Churchill is there but it is no good to build a transmission line unless you know that you have power to put on that and you can finance it. You know, you cannot just go ahead and make those silly mistakes for short-term gain but for long-term pain. So have got to be careful. So we are doing what we can and we are putting out, this year, \$300 million or \$400 million just in power developments on the Island and they are going to create 1,500 or 1,600 jobs, Upper Salmon and Cat Arm together. So we are doing what we can and we wish we could do more, but we have got to be careful before we leap into doing some kind of transmission line in Southern Labrador and across the Strait. I am told, for example, that it is technological feasible to bring across the cable as opposed to the tunnel, and it is a bit cheaper. But the latest technology in the world on the machine used to dig down on that Strait section, we might have to build our own machine to extend the technology a little bit, which would take some doing. So that is not a simple matter either. And you can

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PREMIER PECKFORD: only push that kind of money to do that if you have behind it the customers, the development, and the right cost for the power when it does get over. So that is not a simple matter. We are doing what we can and we are pushing it as hard as we can, but there are no simple answers to it and we must use as our priority that Water Reversion Act, which can have immense benefits to the Province over the long term.

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

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

MR. NEARY: Mr. Speaker, it seems that after ten years of Tory reign in this Province that we are no further ahead on these projects than we were ten years ago. Mr. Speaker, let us see if I can be a little more specific on the fishery one. The hon. the Premier knows that one of the big problems with the Newfoundland fishery is marketing the product. Now we have the Canadian Saltfish Corporation that was one of the greatest reforms, I suppose, since Confederation in this Province. Why does the administration keep resisting expanding the terms of reference of the Canadian Saltfish Corporation to include the marketing of all the produce of the sea? Why does the administration and the hon. gentleman keep

MR. NEARY: resisting setting up a separate Crown corporation, if that is the route he wants to take, to market the fresh fish and the produce of the sea in the markets of the world?

MR. SPEAKER (Russell): The hon. Premier.

PREMIER PECKFORD: I would like to advise the hon. Leader of the Opposition (Mr. Neary) that he should read the latest report of the Economic Council of Canada issued over the last several months which attacks the Canadian Government and those who believe that the answer to our economic problems is to put everything under a marketing board. They have definitively shown this in their study. And I am rather amused that the Leader of the Opposition is not up to date on the latest economic forecast and studies that are done by experts in this field. The Economic Council of Canada was established by the Canadian Government to give independent advice on economic matters in this country. And they have come down - and by the way they are mostly Liberal appointments and people who believe that governments should be involved a little bit in the planning of the economy - and they themselves have rejected this idea of just putting everything under marketing boards.

So I would tell the Leader of the Opposition perhaps, for some good weekend reading while the sun is shining, that he would get that Economic Council of Canada report and read it, because I think it addresses itself to some of the structural problems that we are facing in the Canadian economy.

On the Salfish Corporation specifically, Mr. Speaker, just let me say that we have indicated that we support the Salfish Corporation, but simultaneously while we are supporting it, we do not see anything

PREMIER PECKFORD: wrong with trying a number of experiments so that individual entrepreneurs, if they want to become involved, that they should have that opportunity, that you should not stymie individual initiative and entrepreneurial spirit all for the sake of a marketing board, that perhaps you can have the best of both worlds and allow a few more people out there to be designated through the corporation to develop and sell some saltfish to the corporation.

Secondly, Mr. Speaker, we have proposed to the Kirby Task Force and to other people in the fishing industry that we are prepared to assist in arranging a consortium of middle sized companies in the Province who should do their marketing together, that they have got to get together at it because one company can go out and hurt the other company and we should not be competing against one another . We should be doing it together.

On the larger issue of marketing with the big companies like Lakes and Fishery Products and Nickersons and National Sea, we have referred them and indicated to them that something like what has been done in Norway is a very , very good idea, where the corporations all get together and market the one product, the one label, and refine their markets in the United States or in Europe.

So we believe that you should not just eliminate the private sector and just replace it with a great huge structure called a marketing board, but in the Saltfish Corporation you could designate more people to get involved through the corporation, give them some flexibility- and it can work, we are sure it can work - secondly, that you need to get to get the private sector companies together. We have taken some initiative in this

PREMIER PECKFORD: regard and to try to get them together, with some assistance and back up from government, to come together into a marketing arm but to leave it in private hands rather than government getting in, hiring a whole bunch of new people and taking it all over. We do not think that would be good and I think the Economic Council of Canada bears us out on that.

Marketing is a problem. Quality is a problem. And the federal government and ourselves are trying to deal with that. So I am not against the Saltfish Corporation. We are very supportive of it. But it does not have to be a narrow, dogmatic approach to the Saltfish Corporation. Surely they can perhaps try some experiments and be more flexible in designating more people to become involved in it.

And secondly, on the fresh fish side, there should be more initiatives by both governments with the private sector to encourage them getting together into a consortium like has happened in Norway.

MR. NEARY: A final supplementary.

MR. SPEAKER (Russell): A final supplementary, the hon. Leader of the Opposition.

MR. NEARY: Mr. Speaker, while we are on the matter of the economy and, as I say, sometime in the next week to ten days the House will shut down for the Summer and I believe it is good to get these things on the table, what about the construction industry? There is a major depression in the construction industry at the present time and that is one of the areas where an awful lot of tradesmen are concerned, heavy equipment operators, electricians, carpenters, plumbers and so forth, steelworkers are unemployed and they stand to not even get enough employment this year to get their stamps for the Winter. Now are there any

MR. NEARY: plans for this government to take advantage of the housing money that was made available in Mr. MacEachen's budget the other night? What can we expect in the way of construction of houses and other provincial government construction that would give a little shot in the arm to the construction industry, that will get a lot of these people back to work?

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

PREMIER PECKFORD: I do not know where the Leader of the Opposition (Mr. Neary) has been, but we have tendered already, just in Transportation alone, \$47,121,000 as of this morning.

MR. NEARY: A lot of that was last year's funds.

SOME HON. MEMBERS:

Hear, hear.

PREMIER PECKFORD:

Jones Construction, that is a Newfoundland company, they have a contract for \$1.6 million; Western Construction - \$2.4 million on the West Coast; F.J. Construction Limited, a Newfoundland company - \$500,000; Gid Sacrey - \$500,000; Twillingate Construction - \$681,000; Western Construction again - \$5 million; Western Construction - \$4 million -

MR. NEARY:

A lot of them are last year's stuff.

PREMIER PECKFORD:

- Viking Construction - \$5.8 million, brand new; D.A. Construction - \$500,000; Western Construction - \$2.5 million; H. J. O'Connell - \$391,000, down in Wabush; Avalon Construction of St. John's doing a ferry terminal; Pelley Enterprises of Springdale doing a \$500,000 wharf somewhere; Western Construction another \$500,000; Lundrigans - \$1.3 million; Penney Black Top - \$300,000; McNamara - \$2.1 million.

MR. NEARY:

All last year's work.

PREMIER PECKFORD:

No, all new this year -

MR. NEARY:

Paying for last year.

SOME HON. MEMBERS:

Oh, oh.

PREMIER PECKFORD:

- new tenders. No, no, this year, Mr. Speaker, this year, these are all new tenders out this year.

MR. NEARY:

Paying for last year.

PREMIER PECKFORD:

No, no. I can give the hon. member the name of the project. Allied Chemical Canada Limited, H.J. O'Connell - \$800,000; Trident Construction - \$300,000; Suburban Construction - \$400,000; McNamara again, \$3.2 million; Penney Construction - \$800,000; Penney Black Top - \$700,000; Penney Construction - \$191,000; McNamara - \$1.1 million; Lundrigans - \$300,000; Penney Construction - \$694,000; Lundrigans - \$500,000; Short's Construction - \$1.1 million; Avalon Construction again - \$640,000; Penney Black Top - \$508,000; Penney Road Builders Limited, Penney Black Top - \$400,000 and \$500,000; Harry Cooper, Hynes Construction,

PREMIER PECKFORD: Churchill, Sun Construction, Adams Aggregate, Penney Paving, Canon Construction, Penney Road Builders, Modern Paving and D.A. Construction for \$47 million. And, Mr. Speaker, projects which are advertised, that is \$47 million already let out on roads alone. There is another \$6.3 million for which there are tenders in the paper today and yesterday and this week, and next week there will be tenders in for another \$12.2 million, Mr. Speaker. So on roads alone I think we are trying to do what we can to stimulate the heavy construction industry and those people who have machinery and that kind of thing. And as you can see, a lot of companies around the Province are winning the bids on these contracts.

In water and sewer we are going to be upwards to \$30 million in addition to what I have just said here of about \$60 million - \$30 million or more on water and sewer. The Minister of Municipal Affairs (Mrs. Newhook) is doing a fantastic job trying to get those tenders out and getting construction.

MR. NEARY: When can we get into this water and sewerage?

PREMIER PECKFORD: As soon as we get all the tenders out, You know, that takes some time.

MR. NEARY: What about the rest of the road work?

PREMIER PECKFORD: Then, Mr. Speaker, what did we do? We went ahead and allotted over \$2 million for the Institute of Fisheries and Marine Technology to try to move that. We have given out

contracts to the engineering companies to do the design on the extension to this building, to try to help out. The Minister of Education (Ms Verge) is involved in the School for the Deaf for a new building there to try to help the construction industry. And there is a new correctional centre going down in Happy Valley-Goose Bay to try to help. We are finishing off the one at Bishop Falls and the one in Clarenville. Holy smoke! Everywhere you turn to have to get out of the way from the tenders that are going out in the paper from the government who are trying to uplift and help out. Housing, he talks about housing. I was really amazed, Mr. Speaker, when the federal government came up with a \$3,000 grant. We have had a \$1,500 grant in existence for the last two or three years.

SOME HON. MEMBERS: Hear, hear!

PREMIER PECKFORD: And we are only one tenth the Canadian economy and we can do half as good, only one tenth and we can do half as good. We are only ten per cent but we do fifty per cent.

MR. NEARY: If we had more time in the Question Period we would be right back to normal again.

PREMIER PECKFORD: And what did we do? We subsidized all the serviced lots in the Province. In some places, in Cowan Heights I am told, in St. John's, some places we have a subsidy of \$7,000 on a housing lot, a subsidy of \$7,000 for a lot. Talk about \$3,000 a house! We have \$7,000 a lot in Newfoundland.

MR. NEARY: Do not get nasty now.

PREMIER PECKFORD: And that is not only in St. John's. That is every place where Newfoundland and Labrador Housing Corporation has these housing lots and that is all over the

PREMIER PECKFORD: Province and in Labrador. So when you look at it \$175 million net, \$175 million. And then you have Upper Salmon and Cat Arm going full blast and we are getting tenders out in the paper. I think, Mr. Speaker, we are doing a fantastic job myself. I think we are doing a super job. As a matter of fact we are doing so good it is almost time for another election.

SOME HON. MEMBERS: Hear, hear!

MR. WARREN: Mr. Speaker.

MR. SPEAKER (Russell): The hon. member for Torngat Mountains.

MR. WARREN: Mr. Speaker, maybe I would welcome another election. Why not? I have a question for the Minister of Rural, Agricultural and Northern Development (Mr. Goudie). During last year, last July, the minister and his federal counterpart, the Hon. John Monroe, signed a federal/provincial native agreement and I think this agreement calls for X number of dollars per year to go into the designated communities in Labrador and in Conne River, Newfoundland. Could the minister advise the House why the monies that have been approved on the town level, the council level, have not been passed over to the councils by his departments?

MR. NEARY: The Band council in Conne River?

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

MR. GOUDIE: Mr. Speaker, I do not know which particular communities the hon. member is talking about but as he pointed out there are two separate agreements in place, not one; one for the community of Conne River which will provide funds for the next four years now, and another one covering seven communities in

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MR. GOUDIE: Labrador. And as far as I am
aware all funds are being provided that are decided
upon and voted upon

MR. GOUDIE:

by the federal/provincial committees in place to deal with funding. If the gentleman could be more specific in the community, the project, perhaps I can provide more information.

MR. SPEAKER (Russell): The hon. the member for Torngat Mountains.

MR. WARREN: Well, Mr. Speaker, I would like to start off with Davis Inlet, with Nain, under the Labrador federal/provincial native agreement, Conne River, with the Newfoundland agreement. Those are three of the eight towns that have not received their money that has been approved in the last fiscal year, but somewhere along the line there has been a committee set up within his department that all of a sudden is turning down the requests that the council level is saying is needed for the community.

Why are officials of his department stopping funding that is urgently needed in those communities?

MR. NEARY: Right on! A good question.

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

MR. GOUDIE: Mr. Speaker, there is never any move on the part of the staff of my department to deliberately block the funding to any community, be it Nain, Davis Inlet, Conne River or any other under the native peoples agreements. If funding has not been provided, there are usually - without exception, as far as I am aware - legitimate reasons for it not being in. In the case of Davis Inlet, for instance, for several years now the funding for that particular community has gone through an in trust system where officials of my department are involved. But the community has hired

MR. GOUDIE: people over the years to train local people to become bookkeepers, accountants and so on, and that is the situation with the community of Davis Inlet. Nain, as far as I am aware, has been receiving funding. If there is a specific problem, all the gentleman has to do is to let me know exactly what the project is and I will get some answers for him.

Finally, in the case of Conne River, there has traditionally been a problem there for quite a number of years, in which the community itself - or, I am sorry, not the community, a committee from the community of Conne River, that the Minister of Environment (Mr. Andrews) and myself met with over a year ago, who seem to have a concerted effort in place in which they want to deal directly with Ottawa, completely by-passing the Province. So there are some difficulties there. And finally, in the situation in Labrador with the seven communities in Labrador under that agreement, we have just recently put in place a new agreement manager in the person of Mr. Bart Jack, a full-blooded Indian resident of Labrador, to deal with these communities.

SOME HON. MEMBERS: Hear, hear!

MR. GOUDIE: And things generally are going good. There are rough spots to be ironed out, but I have no particular concerns at this point in time. If the gentleman has, please inform me specifically and I will follow up on it.

MR. SPEAKER (Russell): Order, please!
The time for Question Period has expired.

I would like to welcome to the galleries today, a delegation from the Town Council

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MR. SPEAKER (Russell): of Glovertown, the Mayor,
Mayor Ackerman, Councillor Warren and one of the town's
employees, Mr. Thomas. I welcome you to the galleries
today.

ANSWERS TO QUESTIONS FOR WHICH NOTICE HAS BEEN GIVEN

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

MR. DINN: Mr. Speaker, in answer to the question from the hon. member for Terra Nova (Mr. Lush) with respect to offshore - how many Newfoundlanders currently employed? - the total number of Newfoundlanders hired for offshore rigs since January 1, 1978, 3,500.

SOME HON. MEMBERS: Hear, hear!

PRESENTING PETITIONS

MR. SPEAKER: The hon. member for Terra Nova.

MR. LUSH: Mr. Speaker, one of the time honoured and basic rights of people living in the British Commonwealth under our form of government is that of petitioning its government. I am delighted this morning to present this petition, and, Mr. Speaker, sometimes I get a little disconcerted that these petitions do not get the recognition that they deserve. A lot of these petitions come from the rural areas of this Province, and these petitions are very important to the people who have initiated such petitions, but sometimes they go unnoticed. And if some of these petitions came from the Avalon Peninsula and some of the larger areas of the Province, I am sure that they would be recognized much more than they are.

This petition this morning, Mr. Speaker, is a large petition. It is a large petition. It is on behalf of some 1,000 residents of Glovertown, signed by approximately 1,000 people in Glovertown, Mr. Speaker, from

MR. LUSH: one town.

MR. NEARY: That is a big petition.

MR. LUSH: Glovertown is one of the largest towns in Newfoundland, one of the largest rural towns, and this petition is signed by approximately 1,000 residents. That represents, Mr. Speaker, a third of the total population of Glovertown and it represents about 90 per cent of the voting population. It represents over 90 per cent of the adult population of Glovertown. So, Mr. Speaker, it is a large petition.

The petition, Mr. Speaker, has to do with the government granting funds in this fiscal year for the extension of a water and sewer system in the town. Mr. Speaker, I will go right to the petition before bringing out other points in support of the petition.

"To the hon. House of Assembly the petition of we, the undersigned residents of and the electors in the town of Glovertown requests the provincial government to speed up the process of granting loans to the town for the installation of a water and sewerage system.

"The installation of a water and sewerage system was begun in 1966, and today, some sixteen years later, there is still a large section of the town still without these services. In view of the length of time involved and, much more importantly, in view of the severe health problem in those areas not serviced caused by inadequate sewerage disposal and thus

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MR. LUSH: industrious town. It has overcome, Mr. Speaker, several fires in the town, overcome almost the whole town being wiped out. They have overcome that and still they have built a beautiful and prosperous town. It is on the periphery of the Terra Nova National Park and still a large section of the town on the periphery of the Terra Nova National Parks is without water and sewer. And, Mr. Speaker, as I said, Glovertown was incorporated in 1954, it was in 1966 that they got their first grant for water and sewerage and, Mr. Speaker, they were one of the first towns to bring in the property tax, one of the first towns to bring in the property tax so that they could qualify naturally for the guaranteed loan system for putting in water and sewer systems. They were one of the first towns to bring in the

MR. T. LUSH:

property tax. So, Mr. Speaker, I believe it is time that the government certainly did something to speed up the process of putting water and sewer in this rapidly growing town, in this prosperous little town, and to ensure, as the petition says, 'the safe and orderly development of the town.' So, Mr. Speaker, I support the petition wholeheartedly and certainly hope that the government can do something in this fiscal year because, Mr. Speaker, it was in 1980 that they received their last funding. So they received no funding in 1981, they have received no funding to date in 1982, they do not know whether they are going to get it but it is getting late. They do not know whether they will get it or not.

MR. SPEAKER (Russell):

Order, please!

The time for the hon. member has expired.

MR. LUSH:

So, Mr. Speaker, just in

conclusion I would like to say that I support the petition wholeheartedly and if Glovertown gets no money this year, this will be the third year that they have got no money to put water and sewer in this large and thriving town of rural Newfoundland.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

Order, please!

Before I recognize the hon. the Minister of Municipal Affairs (Mrs. H. Newhook), I would like to welcome to the galleries Mrs. Millicent Loder, the Deputy Mayor of Northwest River- Labrador.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

The hon. the Minister of Municipal Affairs.

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MRS. H. NEWHOOK:

Thank you, Mr. Speaker.

Mr. Speaker, I wish to thank my hon. colleague for eloquently presenting the petition on behalf of the people of Glovertown. I recognize the problem that the council is having. Of course, when you have a municipality that is partially serviced with water and sewer, then everyone in the town is looking for the same service. I am very happy to be able to report, Mr. Speaker, that we have spent \$2,330,000 in Glovertown.

AN HON. MEMBER:

How much?

MRS. NEWHOOK:

\$2,330,000 in Glovertown to date.

And I am quite aware of the area to which my hon. colleague is alluding. I think he is talking about the Southside and Saunders Cove, that is the Southside Road. I have been along the Southside Road and I have to agree that it is really a beautiful area and about half of the houses there are located on very large pieces of land. It does not appear to me to be a serious health problem. And certainly I have checked with our regional office in Gander and they say that they do not know of a serious or an environmental health problem in Glovertown.

Now the problem with servicing the Southside and Saunders Cove is that it is going to be very, very expensive; it is going to cost in excess of \$20,000 per household. So, Mr. Speaker, in view of the fact, and I would like to emphasize this, that we have had \$105 million worth of requests for water and sewer this year - we have been able to provide somewhere around \$33 million of that amount - I would certainly be very, very happy if we could just have enough money, enough funding, to do the whole \$105 million worth this year but, of course, that is impossible. But, Mr. Speaker, I would like to say that, you know, we have not forgotten Glovertown, that we are looking at it and that we will be trying to get around to servicing this Southside Road and Saunders Cove as soon as it is feasible so to do.

MR. WARREN:

Mr. Speaker.

MR. SPEAKER (Russell):

The hon. member for Torngat Mountains.

MR. WARREN:

Mr. Speaker, I rise to support this petition so ably put forward by my hon. colleague from Terra Nova (Mr. Lush). The 1,000 signatures on a petition from a town as large as Glovertown sure shows that the people in Glovertown are concerned about their health and safety.

MR. WARREN:

Mr. Speaker, the minister just got up and she said we have already spent \$2,330,000, Big deal! What is the good of spending so much money if it does not finish the project? She did the same thing in Rigolet; she spent \$1 million in Rigolet and now they have to do it all over again. So what is the good of spending money if it is not spent wisely? And this is what is wrong with the department, they are spending money but not spending it wisely.

Mr. Speaker, I can support and I can sympathize with the people in Glovertown, the people in Nain, the people in Davis Inlet. Only one town in my district has water and sewerage and the minister now has been neglecting Nain for the last three years, just doing a partial phase of the system. And it is federal/provincial money going in there. So, you know, why should not the people all throughout Newfoundland

MR. WARREN:

and Labrador receive the same courtesy, not just the communities within the P.C. districts, not just these communities? Because we represent Liberal districts, is that why the people there are not supposed to live a healthy and a decent life? Is that why the minister is going to play politics with these kind of people?

So I suggest to the minister, do not worry about spending \$2 million, but finish the project. And if the project is finished, then the people in Glovertown and the people in other parts of Newfoundland will be happy. They would sooner see a project completed and finished in its totality than to see a partial, half-assed job done with it and this is what is happening. The money has been spent in many cases, most unwisely, and I refer again, to the work that was done in Rigolet in the last two years, most unwisely. The Town Council had said to the minister's officials, 'Look, it cannot work. It will not work'. And we found out last year it did not work. And here was \$1 million of federal/provincial taxpayers money gone down the drain in Rigolet, and this is just an example of how the minister spent their \$1 million. It was ill-spent. There was no thought, in fact, there were not even any engineers from her department on site. What a way to spend taxpayers money, Mr. Speaker, on water and sewer. Her department does not even have engineers on site during the construction, especially during the beginning of the construction stages.

I can go on, In the hon. member's district of Port au Port (Mr. Hodder) his district the same thing is happening.

MR. HODDER:

In Kippens.

MR. WARREN:

In Kippens, for example, there is a project partially done. And again we can see the

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MR. WARREN: minister is not paying attention to the crucial areas of the Province that needs water and sewer the most.

Mr. Speaker, I stand up and I support this petition put forward by 1,000 people in Glovertown, and I hope that the minister will realize once and for all not to play politics with the lives of the people. Everybody needs a decent, healthy and happy life.

MR. NEARY: Right on!

SOME HON. MEMBERS: Hear, hear!

ORDERS OF THE DAY

MR. SPEAKER (Russell): Motion No. 1 - Budget Debate. It was adjourned the last day by the hon. member for Fogo.

MR. TULK: Mr. Speaker, I believe I have just a few more minutes left in this debate. To conclude my few remarks I would like to say,

MR. TULK:

Mr. Speaker, that this has been perhaps an interesting session. There has not been very much of substance coming from the government, there has not been very much said about what we are going to do to put bread and butter on the tables of Newfoundlanders, but it has been interesting. As I was saying yesterday, the government has this favourite method, this favourite tactic, of covering up their own inability to put bread and butter on the tables of Newfoundlanders to cover up their own incompetence. I think a good title for every Hansard that comes out of this House might be 'Attack! Attack! Attack!'. Mr. Speaker, there is not much happens, there is not much of substance, as I said, in some of the things coming from the government. But some of the things that have happened this year in this session have made quite a lively and enjoyable time. I am glad to see the Minister of Fisheries (Mr. Morgan) is coming back in the House. For example, I recall, I think it was about four weeks ago, to cover up, to try to draw attention away from the interference with the judicial process in this Province, the Minister of Fisheries was going to take the member for Fogo to court.

MR. NEARY:

Oh, he was going to drag you into court.

MR. TULK:

I was going to be sued. Now, Mr. Speaker, the psychological effect of that, you would normally think, would damage one's mental health.

SOME HON. MEMBERS:

Hear, hear!

MR. TULK:

Mr. Speaker, I still feel mentally healthy, as mentally as I usually do in any case. And I had thought that my Summer would perhaps

MR. TULK: be exciting. You know, I understand that court work is exciting. I have not been in there before. But, Mr. Speaker, I have not yet received a writ from the Minister of Fisheries (Mr. Morgan). Unless he does that, I have to tell him that I cannot end up in court.

Now, Mr. Speaker, I went through yesterday evening a letter that the Premier tabled in this House and I think it - a note that the Premier wrote back across this House to me, and I think it shows the character of the government as the Minister of Fisheries ranting and raving shows his character. It points out, Mr. Speaker, the childishness and the undemocratic actions of this government as they try to cover up their own inaction, their own incompetence. If they do not like you they will not talk to you.

MR. WARREN: Are you going to court?

MR. TULK: I am not sure. We will have to wait and see what he does.

MR. NEARY: Put the question to him.

MR. WARREN: Ask the minister is he going to take you to court.

MR. TULK: He is not going to answer that.

MR. MORGAN: You will find out soon enough.

MR. WARREN: Your Summer is upset, boy, your Summer is gone.

MR. TULK: Gone!

If this government cannot get their own way, Mr. Speaker, they sulk, they take their marbles and they go home and say, well, 'Look, no more, no more,' or otherwise they will attack you and force you to take it to court.

Now, Mr. Speaker, there is not much else to say except that the Minister of Fisheries,

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MR. TULK:

as I went through his
remarks yesterday, the Minister of Fisheries (Mr. Morgan)
stood over there again and attacked

MR. TULK:

everybody in sight. I think those days the only people who are not feeling the wrath of the Minister of Fisheries (Mr. Morgan) is the union. I think now he finally realizes that the union does represent the fishermen in this Province and he is trying to get on side with them.

MR. MORGAN: We are cheek to cheek and heart to heart.

MR. TULK: Yes, that is what it seems like. That is what it seems like. You are on the same wave length these days. I suspect that Mr. Cashin will get the works eventually from the Minister of Fisheries when there is a problem that comes up with the union that the minister cannot solve, or when there is a problem that comes up that can be blamed on Mr. Cashin. He is pretty good with the federal Minister of Fisheries too these days. After he got his whipping in St. Anthony, after he got his whipping down in St. Anthony he is pretty good with the Minister of Fisheries. After he got his whipping on over-the-side sales he is pretty good with the federal Minister of Fisheries (Mr. LeBlanc).

MR. WARREN: Well, that is a good batting average - two for two.

MR. TULK: As a matter of fact, Mr. Speaker, I expect to see them all waltzing around the centre of this House come the Fall.

Mr. Speaker, with those few remarks I would ask the Minister of Fisheries (Mr. Morgan) just one simple question, to accept his own responsibilities, to accept what he has to do, and rather than standing up in this House and trying to blame somebody else for the problems in the fisheries, stand up and say that it is really his job and he intends to do it.

MR. SPEAKER (Aylward): When the hon. minister speaks he shall close debate.

The hon. Minister of Finance.

DR. COLLINS: Mr. Speaker, I am not going to speak more than just a second or two. The hon. Leader of the Opposition (Mr. Neary) has been requesting a number of times that I table something regarding our capital accounts. He claims that we have been fiddling the books on capital accounts. Of course, we have not. We have been doing exactly what has been done in previous years. I have been attempting to table this for some time but every time I would get up the hon. Leader of the Opposition got up and I had to sit down again. Anyway now that I am on my feet I am going to table information on this subject, which shows that we have been doing exactly in terms of capital account what has always been done in the budgetary process and it is fully laid out there.

With those remarks, Mr. Speaker, we are now debating the motion that the House resolve itself into a Committee of Ways and Means, and I move that that resolution be carried.

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

COMMITTEE OF WAYS AND MEANS

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

MR. SPEAKER:

Order, please!

The hon. the Chairman of Committees.

MR. CHAIRMAN (Aylward):

Mr. Speaker, the Committee of Ways and Means have met and 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, by leave.

MR. SPEAKER:

The hon. the Minister of

Finance.

DR. COLLINS:

Mr. Speaker, I have received a message from His Honour the Lieutenant-Governor.

MR. SPEAKER:

Please rise for a message from His Honour the Lieutenant-Governor.

The following message is addressed to 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 the 31st. day of March 1983, by way of further supply and in accordance with the provisions of the Constitutional Act, 1867, I recommend these estimates to the House of Assembly.

(Sgd)-----
Lieutenant-Governor."

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

DR. COLLINS: Mr. Speaker, I move that the message be referred to the Committee of Supply.

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

COMMITTEE OF SUPPLY

MR. CHAIRMAN(Aylward): Order, please!

RESOLUTION

That it is expedient to introduce a measure to provide for the granting to Her Majesty for defraying certain expenses of the Public Service for the financial year ending the 31st. day of March, 1983, the sum of \$1,007, 595,400.

On motion, resolution carried.

On motion, clauses 1 through 3, carried.

On motion, schedule, carried.

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

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

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

MR. SPEAKER(Russell): The hon. the Chairman of Committees.

MR. CHAIRMAN(Aylward): Mr. Speaker, the Committee of Supply have considered the matters to them referred and direct me to report having passed the amount of \$1,007,595,400. contained in the estimates of supply and ask leave to sit again.

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

On motion, resolution read a first and second time.

On motion, a bill,
"An Act For Granting To Her Majesty Certain Sums Of
Money For Defraying Certain Expenses Of The Public
Service For The Financial Year Ending The Thrity-
First Day Of March One Thousand Nine Hundred And
Eighty-Three And For Other Purposes Relating To The
Public Service", read a first, second and third time,
ordered passed and its title be as on the Order Paper.
(Bill No. 52).

Motion, second reading
of a bill, "An Act To Amend The Workers' Compensation
Act". (Bill No. 50).

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

Mr. Speaker, I am going
to be relatively brief. Basically we have amendments
to three sections of the Workers' Compensation Act,
and it is very well laid out in the explanatory notes.
The objective of the amendments to Section 11, is to
provide that a worker or his dependents can claim
compensation, and may also commence an action against
a third party, that party not covered by the Workers'
Compensation Act. It will also provide that a worker
who does claim compensation may take an action on his
own behalf rather than have his rights subrogated to
the board, who would then take any action that might
be possible.

Section 46 is also to be
amended and that comes out of the review committee
report on Workers' Compensation that was

MR. DINN:

presented to the department in December and basically the recommendation was recommendation twenty-one of sixty-seven recommendations. And that provides the right of the Lieutenant-Governor in Council to provide for the method of calculating compensation under the act or the manner in which compensation is to be paid. As hon. members will remember, on March 25th, at a news conference, I indicated that the compensation paid to surviving dependants would be changed and this gives the Lieutenant-Governor in Council the right to change it from here on in when it is deemed necessary.

The amendment to Section 57 basically is to provide that the limitation period for making claims, which is presently six months, may be extended by the Lieutenant-Governor in Council by order in respect of an accident described in the order. It also provides that such an order may have an effect from the date of the order or such earlier date or later date as may be set out therein. And basically what that does is, in the case, for example, of the tragedy offshore with the Ocean Ranger, people would have had to have applied within a six month period for their compensation or it would expire. And basically what this does is provide for the Lieutenant-Governor in Council, with cases such as these, to extend the period and to make that extension retroactive. And that, Mr. Speaker, of course, in the case of the tragedy offshore, is what the Lieutenant-Governor in Council intends to do.

So that basically covers it.

The explanatory notes in the bill cover it in a little more detail. So, Mr. Speaker, I will sit down now and wait for debate on the bill and, of course, answer any questions that hon. members may have with respect to the amendments.

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Tape No. 1954

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MR. NEARY:

Mr. Speaker.

MR. SPEAKER (Aylward):

The hon. Leader of the Opposition.

MR. NEARY:

Mr. Speaker, this is a major change in the Workers' Compensation Act. Before these amendments become law, as hon. members know, it was impossible for a worker who was injured and received Workers' Compensation to take an action against his employer. The action had to be taken by the Workers' Compensation Board.

MR. NEARY: This change now is brought about, I would suspect - I did not hear everything the hon. gentleman said but I would assume this is as a result of the Ocean Ranger tragedy, when attention was drawn to the fact that families of those who lost their lives on the Ocean Ranger would not be able to initiate an action in a Canadian court if they applied for Workers' Compensation. And this created a bit of a problem for the families of men who were lost on the Ocean Ranger.

So we are going to vote for this, Mr. Speaker. We think it is a good amendment to the act. When I first found out about it after the Ocean Ranger tragedy, I could not understand why families of the workers who lost their lives, could not initiate an action if the family, or the worker himself in case of injury, received Workers' Compensation. But then I discovered that this is pretty well the pattern across Canada.

AN HON. MEMBER: That is the (inaudible).

MR. NEARY: That is right. And, I would think, from my visit to Washington in connection with Bill HR4863, from the bits and pieces of information I picked up from the lawyers and from the congressmen that I met in Washington, that it is pretty well the pattern across the United States. And an awful lot of people disagree with it.

Now, I presume that these amendments will be of general application and just not apply to the Ocean Ranger situation. Is that the -

MR. DINN: (Inaudible).

MR. NEARY: They will be of general application?

MR. DINN: I will have it - (inaudible).

MR. NEARY:

Well, I need the answer now.

MR. DINN:

With respect to the right to sue, I mean, that is of general application, that is section 11.

MR. NEARY:

That has been taken out of the act and anybody in future, any family or any -

MR. DINN:

And anybody, any third party not covered by Workers' Compensation.

MR. NEARY:

Right. Well, as I say, Mr. Speaker, that is a major reform to the act and it is a good move. I do not know what headaches it will - perhaps the hon. gentleman could tell us what pitfalls, what headaches it might create for the Workers' Compensation Board, if any. But I think it is only right and proper that a worker or a worker's family can apply for Workers' Compensation and at the same time take an action against his employer for negligence or for any other reason, for that matter.

So one thing that has come out of the Ocean Ranger tragedy, Mr. Speaker, are these amendments to the Workers' Compensation Act. I might say that I am still very disappointed that the administration have not taken any initiative with regard to

MR. NEARY:

Bill HR 4863. If that bill is amended, Mr. Speaker, before the United States House of Representatives, if that bill is passed, then in the event, and let us hope that we will never have another tragedy, but you never know, in the event of loss of life or injury of workers offshore, if this bill is amended in the United States, then in future residents of Canada will not be able to take an action in the United States.

We were told in the Throne Speech that the administration was going to have a resolution passed in this House unanimously, and sent off - we were planning on sending the Speaker, His Honour, to Washington to meet with the Speaker of the House of Representatives and bring a resolution from the House objecting to this amendment to Bill HR 4863. Nothing has happened. Mr. Speaker, I was greatly disappointed that I was not joined by a member of government when I travelled to Washington, and I went on two occasions. The first trip I made to Washington was to strongly object to any amendment that would bar what they call foreign aliens or foreign workers from initiating an action in the United States Courts resulting from injury or death on a semi-submersible rig. And semi-submersible rigs in the eyes of the United States shippers, the United States Coast Guard - they are floating - they are considered to be in the same category as a ship. So if they are successful in getting this amendment through, then never again will a Canadian, a Newfoundlander who is employed on these rigs that fly the United States flag, or a service vessel that flies the United States flag, never again will they be able to initiate an action in the United States Courts. And that is a terrible situation, Mr. Speaker.

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MR. NEARY:

When I went to Washington to object to this, it was about two or three weeks after the Ocean Ranger tragedy, and the congressmen, the Sub-committee on Merchant Marine and Fisheries in the United States were terribly embarrassed about the fact that this bill was being debated, this amendment to the bill was being debated right at a time when we had the worst marine tragedy since the Second World War off the Coast of Newfoundland.

MR NEARY: They were embarrassed about that but they had posted the time and place of the meetings, they had asked for submissions and they could not cancel it. And I am sure that if they had their time back they would have changed the timing of the meeting. But, Mr. Speaker, I was really disappointed, and I got a very lonely feeling when I was in that room in the Longworth Building in Washington, that I was not supported by a representative from the administration. It was only later, it was only after the fact, later on, when they saw the implications of it that they became concerned about it.

MR. WARREN: When you went up, when you were in there first.

MR. NEARY: No, it was not a question of one-upmanship. It was not a question of playing political games. That was not it at all, Mr. Speaker. The fact of the matter is that it was as plain as the nose on your face that somebody had to intervene and make representation on behalf of Newfoundland before all the families of the men who lost their lives on the Ocean Ranger could have been barred. They could have been barred from taking an initiative. My hon. friend, the member for Mount Scio (Mr. Barry), who represents a number of these families, would have discovered in short-order that that amendment to the bill at the time, although later the Chairman of the committee announced that it would not be retroactive, but the oil companies and the people who operated the service vessels and who owned the rigs wanted to make it retroactive. They wanted to make the bill effective the day it became law, which could have been a couple of months ago, if it had not been objected to. And it could have become law before the actions were taken in the United States courts. My hon. friend is aware of that. They said, yes, it is not going to be

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Tape No. 1957

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MR. NEARY: retroactive but it would become effective the very day it was passed and that would have meant that if the actions were not taken in the United States courts at that particular time, whatever date it was, whether it was May 1st or June 1st, after that date no more actions in the United States courts.

MR. NEARY: I think that I can claim some credit for getting the situation clarified, for persuading the Chairman of the Committee, Mr. Biaggi - Biaggi, I think is the right pronunciation of his name - a Congressman from New York, Mario Biaggi, who was very courteous, who treated me exceptionally well in Washington. And all the other Congressmen whom I met were most courteous and decent and very concerned about the problems involving offshore workers, very concerned about it, more concerned at that time, Mr. Speaker, than the authorities in Canada. I can guarantee hon. members that, that the United States Congress was quick off the mark to start up hearings and investigate the Ocean Ranger tragedy, very quick off the mark. They were very concerned about it. I was tremendously impressed and I realized, as I sat in that room that day and was questioned by the members of the sub-committee of Merchant Marine and Fisheries for an hour and a half - and I was only supposed to get ten minutes, Mr. Speaker, at the end. Because hon. members will realize that I was not there representing the Canadian government or the Government of Newfoundland and Labrador and they were going to slide me in, ten minutes at the end, to make my presentation and then I would be lucky if I got my ten minutes. They did not have to do it, because I was not going through diplomatic circles. Mr. MacGuigan had refused to send a representative to Washington on this matter. I wanted him to do it, merely as an observer. And I wrote the Premier and asked the hon. gentleman to send a representative from this Province. So I was not going through diplomatic circles. And everybody in Washington was walking on eggshells, afraid that the diplomatic boat was going to be rocked. I understood that, Mr. Speaker, and lo and behold when I got there I met a

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MR. NEARY: Congressman from Michigan who I will be indebted to for the rest of my life, a congressman by the name of Dennis Hertell, who opened up all the doors for me in Washington.

Mr. Hertell is a member of the Committee, and instead of getting last place, a few minutes at the end, I was placed number one on the agenda that day and spent an hour and a half - I made about a twelve or fourteen minute presentation to the Committee, which had a bigger attendance that day than it has had in recent years, Mr. Speaker, because they were very concerned about the Ocean Ranger disaster. And I was placed number one on the list. I made a presentation of twelve or fourteen minutes and then I was cross-examined for about an hour and a half by various members of the Committee. And it was a good session, Mr. Speaker. And if I never, ever did anything else in public life, I am proud of that. I was there representing not only Newfoundland families but I was representing Canada, and I was representing merchant seamen and families all around the world. Does Your Honour understand that this amendment does not only apply to Newfoundland? If this amendment is passed it will bar foreign nationals, and in Canada we are considered in the eyes of the Americans to be foreign nationals, aliens, and that bill, that amendment, would have stopped all families, everywhere in the world that work on rigs and service vessels that fly the United States flag, that if compensation was available in that country, as it is here in Canada, that they would not be entitled to take an action in the United States courts. There is a big debate going on in the United States over this matter, Mr. Speaker, quite a debate going on. Because an awful lot of the elected representatives in the United States feel that the United States courts are a soft touch, that lawyers take action in the United States courts because the settlements are more generous than they are in Canada or any other part of the world. And they are beginning to feel supersensitive

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MR. NEARY: about this down in the United States. I do not know if it is true or whether it has any validity, I do not think it does, I think when an action is taken into a United States court, as in the Canadian court, that people feel they are justified in taking that action. And what price can you put on a human life, Mr. Speaker?

MR. NEARY:

And what price can you put on a human life, Mr. Speaker? Maybe you had lawyers, you may have had some lawyers who have abused the system. You have what they call in the United States the ambulance chasers, and we found them in Newfoundland after the Ocean Ranger tragedy. They were in here in droves, the ambulance chasers, and I met some of them when I was in Washington. But, Mr. Speaker, I expect the former Minister of Energy (Mr. Barry) will participate in this debate. He has gained a tremendous wealth of experience now in the last several months dealing with a lot of these cases in the United States courts. And there is another thing too, Mr. Speaker. Our own lawyers here in Newfoundland departed from tradition on this matter. Up to the time of the Ocean Ranger tragedy they were used to dealing with fee for service. As a matter of fact, to do otherwise is contrary to the code of ethics of the Newfoundland Law Society. To charge a contingency fee is against the code of ethics of the Newfoundland Bar Society, and yet, our lawyers threw their principles out the window again and despite warnings from the Bar Society, have now departed from tradition and are taking their share of the contingency fees collected by the lawyers in the United States. That is how they operate in the United States, but not in Canada. But I am afraid that our lawyers here have yielded to the temptation, Mr. Speaker, and they are going to take a percentage now of whatever the settlement is in the United States courts, or whatever percentage the legal firm in the

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MR. NEARY: United States gets, the lawyers in Newfoundland will get a percentage of that. And that is a complete departure from tradition, and, I would suspect, in order to make it look right, the Bar Society are going to have to amend their code of ethics in order to cover that situation.

MR. NEARY: Mr. Speaker, just getting back to the Washington trip for a moment again, I was extremely proud of that presentation -

MR. TULK: You should be too.

MR. NEARY: - but greatly disappointed, Mr. Speaker, that it took so long for the administration here to move. Before the election they were going to introduce a resolution in the House, in the Throne Speech they said they were going to introduce a resolution. Nothing has been done yet and I can tell the House now, Mr. Speaker, that that proposal is still before the United States House of Representatives Committee on Merchant Marine and Fishery. And on June 17th I received a notification from Washington, it is called a mark-up notice, to members of the Sub-committee on Merchant Marine, that a meeting was going to be held on June 24th, 1982, the time 10:00 a.m. in the Longworth Building in Washington. And the purpose of it was to discuss four items, and one of the items was HR4863, to modify the maritime laws applicable to the recovery of damages by certain foreign workers. 'Please submit your proposed amendments to the sub-committee's staff room in 531 House Annex 2 by the close of business on Tuesday, June 22nd, 1982'. I did not get time to reply, so I had my secretary call Mrs. Meller, the clerk on the sub-committee, and I am told that they postponed the meeting. They had to postpone the meeting, they were not ready to proceed.

AN HON. MEMBER: What meeting?

MR. NEARY: The meeting that is taking place in Washington on this bill that I have been talking about. They postponed their meeting. So that gives the administration now an opportunity to make the representation that they said that they were going to make. And, Mr. Speaker, here is one time when I can offer the administration a helping hand. I have been in Washington twice, The second time I

MR. S. NEARY:

make a presentation to this Committee. But I think we have to act quickly, we cannot delay any longer. If we are going to make any meaningful presentation, any worthwhile presentation that will have any impact or effect on this Committee, we have to act right away. Because, Mr. Speaker, the reason I say that, the rigs are still off our coast, the service vessels are still here, there will be more rigs off our coast flying the United States Flag. And I think it is nothing short of discrimination for the United States Congress to bar Newfoundlanders or Canadians from initiating an action in the United States courts as a result of an injury or death on one of these rigs. So, Mr. Speaker, we should make our move in a hurry. And the Government of Canada should also make a move to sort out and straighten out the jurisdictional problem that exists between Canada and the United States, as far as these rigs are concerned. We can bring in all the safety regulations we want, the Government of Canada can pass all the safety regulations they want, but if these rigs that are flying United States Flags, if they say, 'No, you are not inspecting our rigs, we are not putting them on dry dock. We think the structure of these rigs is satisfactory. We think they are seaworthy,' what can Newfoundland or the Government of Canada do? I suppose we can cancel their permits. We can do that, cancel their permits to drill. But how about if Canada sits back like they are doing now and says, 'Okay, that is fine? The United States Coast Guard and the United States Registry of Shipping have the right to inspect their own rigs that fly the United States Flag, okay, that is fine.' How about if the Government of Canada says, 'Yes, we will give you a permit to operate on the Grand Banks.' And the Province says, 'No. We are not giving you a permit.' What would happen in a case like that? They can operate with one

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MR. S. NEARY: permit, can they not? There is a big jurisdictional problem here, Mr. Speaker. Canada does not recognize United States jurisdiction within the 200 mile management zone. And therein lies the problem.

MR. NEARY:

That is one of the reasons why the Canadian regulations that our Provincial Minister of Energy (Mr. Marshall) keeps referring to, that is why they could not be enforced. I found that out in no uncertain terms when I attended these hearings in Washington, that the Canadian regulations could not be enforced, All Canada was doing, Mr. Speaker, and the hon. gentleman knows this, they were just doing the housekeeping safety, enforcing if a door was not secured properly and that sort of thing. They were not inspecting the rigs to see if they were seaworthy. They were not inspecting the rigs to see how they were constructed. The United States Coast Guard was doing that. And hon. members must know that, because there was a United States Coast Guard ordered to inspect the rig the day it went down. He was on his way, in Maine, on his way to inspect the rig when she sank.

And so, Mr. Speaker, we are still in a bit of a quandry, we are still in a bit of a vacuum as far as our own local regulations are concerned. Can they be enforced? The minister told us, yes, we will even go as far as to cancel the permit. But that is no good, Mr. Speaker, unless the Government of Canada cancels their permit. There are two permits issued to these rigs drilling off our shores, a provincial and a federal permit. And the oil companies and the drilling companies can operate under one permit, and they would be perfectly within their right and within the law. And so unless there is co-operation between the provincial and federal governments to take joint action in the case of provincial regulations not being enforced, if we cancel our permit then Ottawa should be prepared to cancel their permit. That is the only way the thing will work, or vice versa. If Ottawa sees something wrong and they want to cancel their permit, then the Province could turn around and say, no, as far as we are concerned

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MR. NEARY: everything is okay, and
we are going to let them keep drilling.

Mr. Speaker, all of these matters have to be sorted out quickly. Because as long as these rigs and these service vessels are there exposed to the savage storms and the conditions of the North Atlantic, there is always a potential danger, and a potential tragedy lurking in the background. And that raises the question again whether or not these rigs should be allowed to drill after late Fall,

MR. NEARY: not have had the delay that we are having in that inquiry. Perhaps the two levels of government would have put an end to this procrastination, Mr. Speaker, and bureaucratic nightmare. I think it is shameful, it is uncalled for and it is unnecessary.

Mr. Speaker, there is another thing in connection with this whole sad affair that I am rather proud of, and that is the fact that it was a Liberal administration that covered the workers on the offshore rigs, in the first instance, under Workers' Compensation. And I happened to be acting Minister of Labour when that happened.

MR. TULK: Everything that was started in this Province for the past twenty-five years.

MR. NEARY: Well, I am not going to play politics with it, but I am making a statement of fact. The records are there to show that it was a Liberal administration. And, Mr. Speaker, if the Liberal Government of that day had not covered the workers on offshore rigs, if we had not flown in the face of all logic,

MR. NEARY: if we had not taken control and covered these workers under Workers' Compensation, the Ocean Ranger tragedy could have been probably much worse than it was, if that is possible. The workers were out there - the Sedco Oil, I think it was that sailed into Newfoundland waters, and we were faced with the situation because it was considered to be semi-submersible, the same as a ship, the same as a vessel. And ships and vessels, as hon. members know, are not covered under Workers' Compensation. There is no Workers' Compensation for merchant seaman as far as I know. There maybe some burial expenses, but no Workers' Compensation. So we had to take a major decision, a very dramatic decision which we took. And I am proud to say that we took it and we covered the workers on these rigs, otherwise they would not have been covered.

And I happened to be the acting Minister of Labour when that happened, Mr. Speaker. And not only did we provide some coverage for these workers, but we asserted at that time, Mr. Speaker, despite all the criticism and all the remarks that come from the other side, what we did at that time, we asserted outright, Mr. Speaker, Newfoundland jurisdiction over offshore. Once we covered the workers we asserted our independence, we asserted our right to own the offshore. And we might have set a precedent, Mr. Speaker, that can be used in the present court case. I would say one of the strongest arguments that this administration, that this Province has in the present court case over the ownership of the offshore, and may prove to be the key argument in Newfoundland's case, is the fact that Ottawa did not challenge what we did. We covered the

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MR. NEARY: workers, we asserted our right to ownership by covering workers, by providing Workers' Compensation and Ottawa did not challenge what we did.

MR. TULK: That is one that they never thought about then, when was it?

MR. NEARY: That was back in 1971.

MR. STAGG: That was one that you did a good job on.

MR. NEARY: We certainly did do a good job. And that is not the only good job we did. And, these accomplishments were made, by the way, without squabbling and without fanfare and without destroying federal/provincial relations.

MR. STAGG: Oh! Now you are going on about it.

MR. NEARY: No, I am not, Mr. Speaker.

MR. TULK: Now, listen to him. If you want to hear something you should be quite.

MR. NEARY: So, Mr. Speaker, it is taking me a long while to get around to saying that I am going to support these amendments.

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: But I wish I had more time to talk about this matter. Because, as far as I am concerned, the Ocean Ranger disaster and the repercussions of that tragedy will be felt for a long time in this Province, Mr. Speaker. And as far as I am concerned, the disaster has never been thoroughly debated in this House, has not had the exposure in this House and the attention that it should have gotten. And that has been a source of disappointment to me, Mr. Speaker.

But anyway, getting back to the amendments, Mr. Speaker, we are going to support the amendments on this side of the House. Unfortunately, these amendments would not have come about if it had not been for the Ocean Ranger tragedy. And there will be an awful lot of other things -

AN HON. MEMBER: That is not true.

MR. NEARY: That is true. Mr. Speaker, these amendments would not be -

MR. MARSHALL: Which one?

MR. NEARY: I am talking about the one that restricts workers and their families from taking an action against their employer for such things as negligence. That amendment to this act would never have come about this day if it had not been for the Ocean Ranger tragedy.

MR. NEARY:

So the only thing I can say in clueing up, Mr. Speaker, let us hope that these men did not give their lives in vain. Let us hope that there will be other improvements, and other good things result from the tragedy, if that is possible. Unfortunately it took a tragedy of this magnitude to jolt the authorities into a real world, into a world of reality as far as the offshore drilling and servicing is concerned. It is a hazardous occupation, Mr. Speaker. And we should pay more attention to it in future. And we should not allow the lives of our men and our people to be placed in jeopardy as a result of our negligence.

So, Mr. Speaker, we are going to support these amendments.

MR. SPEAKER (Russell):

The hon. member for Mount

Scio.

MR. BARRY:

Mr. Speaker, as a matter of procedure

MR. L. BARRY: under Section 6 of the Conflict Of Interest Act, before speaking on this matter I have to declare conflicting interests because of the fact that I represent a number of people who will have an interest in this legislation once passed. The provision is that once I declare my interest I am entitled to speak on the matter. But for the record, Mr. Speaker, I have not voted on first or second reading and I would not be able to vote without a resolution of the House so entitling, which I will not be requesting, Mr. Speaker, but I will for the record abstain from voting.

Mr. Speaker, I think the government is to be complimented for the bringing in of this legislation. It is a step which indicates that this is a government with a heart. It is a government which is prepared to recognize when the laws of the Province should be brought up to date in order to deal with what would have been, I submit, an inequitable situation. And it is a matter which should have been corrected, not just for the Ocean Ranger situation, but as has been indicated, it will now be a matter of general application, that where a worker is injured he will be able to take action as well as accepting compensation, take action that is against third parties. Mr. Speaker, this is a good piece of legislation. There are two minor points - well, one is not minor - which will be, hopefully, discussed in committee, which I have raised with the minister introducing the bill and with the Government House Leader (Mr. W. Marshall), and I would like to refer, just for a moment, to subsection 5 of section 11, whereas it stands now the board must recover the amount of any compensation paid. And what has been suggested, Mr. Speaker, by myself, is that there should be a bit more flexibility written into that one section in order to permit the board, if it should so approve, to negotiate a settlement or to participate in a settlement with

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MR. L. BARRY: third parties who may be liable
with potential claimants under the board. And this would permit,
Mr. Speaker, in some situations, for injured employees

MR. BARRY: or in the case of a situation such as the Ocean Ranger where we have a death, the employees' dependents, it would permit them, in some cases, to be able to bring about a settlement of a damage claim without having to go to trial. If the board were prepared, for example, to accept 50 per cent of the compensation paid as part of a deal where the dependents accept so much less than they would have gotten if they went to court, it might be possible for the dependents to save an awful lot of time, expense, and possibly the risk of losing if they should go to court. So I would submit that this is something which is a matter of considerable importance and that Section 5 - and this will be raised again in Committee - that Section 5 should probably be amended. And I am not moving an amendment, Mr. Speaker, but I am suggesting that when it comes to Committee Section 5 should be amended to read, after the fifth sentence where it says, "The worker or dependents shall return to the board the amount of compensation," it should read, 'The worker or dependant shall, unless the board otherwise approves, return to the board the amount of compensation.' And this would give flexibility. It would not impose any obligation on the board or on government not to recover compensation, but would provide flexibility that might be necessary in order to bring about a negotiated settlement in instances such as we have before us with the Ocean Ranger.

Mr. Speaker, that is all I have to say on the bill. Again, I compliment government and point out that it is an indication

MR. BARRY: that it is a government with heart as well as the intelligence to update our legislation to meet changing circumstances, changing values in society and, Mr. Speaker, I think it is legislation which should receive the support of everyone in the House of Assembly.

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

MR. DINN: Mr. Speaker, I thank hon. members for their input to the very important amendments that we have here in the Workers' Compensation bill.

MR. DINN: There were not very many questions raised. There is a consideration of an amendment to section 4 and we are currently looking at section 5, as the hon. member for Mount Scio (Mr. Barry) pointed out in his remarks. Mr. Speaker, it is also true, for sure, that the Liberal administration covered workers on offshore rigs, I believe it was in 1971. And there was some debate as to, you know, what effect our regulations and so on have on offshore and so on. I just outlined in answer to a question to an hon. member this morning that some 3,500 Newfoundlanders worked on rigs offshore since our regulations came into effect and it seems to me that the companies are living up to many of their obligations. And, of course, it did not relate to the bill, but the hon. member commented on it and I felt that I should comment back.

Mr. Speaker, it is unfortunate that we do not have a lot of time to discuss this bill in great detail. It is an important piece of legislation, it is almost a complete change in Workers' Compensation. The hon. member during his speech talked about the possibility that it did not exist in Canada. Well, it does in Saskatchewan and Quebec.

MR. NEARY: I understand it is pretty well the pattern across Canada.

MR. DINN: Yes. The pattern across Canada is that every other Legislature have deemed to leave their Workers' Compensation legislation as we have had it in the past. So, Mr. Speaker, without further comment I move second reading.

On motion, a bill, "An Act To Amend The Workers' Compensation Act," read a second time, ordered referred to a Committee of the Whole House, presently, by leave.

MR. WINDSOR: By leave, Mr. Speaker, Bill No. 56.

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Motion, the hon. the Minister of Mines to introduce a bill, "An Act To Expropriate The Property Of Advocate Mines Limited," (No. 56), carried.

On motion, Bill No. 56 read a first time, ordered read a second time, presently, by leave.

Motion, second reading of a bill, "An Act To Expropriate The Property Of Advocate Mines Limited". (Bill No. 56).

SOME HON. MEMBERS:

Hear, hear.

MR. SPEAKER (McNicholas):

The hon. Minister of Mines.

MR. WINDSOR: Mr. Speaker, it is perhaps with some regret that I introduce this piece of legislation to the hon. House today, yet with no apologies whatsoever, Mr. Speaker. In fact, this action is being taken because this government once again confirms its commitment to the resources of this Province, and ensures that they will be utilized for the best interests of the people of this Province. As I said, it is with some regret that we find ourselves forced to introduce this piece of legislation to expropriate the assets of Advocate Mines Limited. I will not belabour the issue, Mr. Speaker. The hon. House is well aware of the background of the situation and the events leading up to today's leads as it relates to the closure of Advocate Mines. And to indicate, first of all, the difficulty that we have been experiencing and the reason for which we are now introducing this legislation, I guess the first example one would quote would be the method by which the mine was closed, back last August 13th., without any notice to the minister. In fact, as I understand it, the former minister, the member for Mount Scio (Mr. Barry), heard about the closure of the mine through the media. In spite of the fact that the mine had announced the day previous that some 150 people would be laid off in the short-term, for some three month period, without notice, on the following day, the mine was closed. And through the efforts of the previous minister, Mr. Speaker, the mine was reactivated and, in fact, operated until the end of December of 1981. Regretfully, of course, the mine closed then and we have been making every effort since that time to reactivate the mine. We now find ourselves very close, hopefully, to that situation, so that the mine is hopefully scheduled to reopen sometime in August. In order to do that, Mr. Speaker, we find at least one company that has submitted a proposal, one of a number that have submitted proposals and that considered the possibility

MR. WINDSOR: and the feasibility of reactivating Advocate, there is now only that one company that has a firm proposal on the table, that being Transpacific Asbestos.

MR. NEARY: But there is another company interested?

MR. WINDSOR: There is another company, Mr. Speaker, that has now expressed an interest, that we met with a week or so ago, and either today or early next week, hopefully, we will be receiving some information as to their intent, as to whether or not they have a serious intent and will be prepared to put forward a proposal.

Nothing in this legislation, Mr. Speaker, precludes that. I want to emphasize that the door is still wide open for the Lake Asbestos Company, which is the other company that has expressed, perhaps, an interest. Nothing in this legislation precludes that, in fact, this legislation is indeed enabling legislation which, in order to meet the time tables and the time constraints that we find upon us, in order to be able to supply the markets that have been identified for 1982, it is imperative that that mine be reactivated in early August. And in order to do that, Mr. Speaker, we must proceed with the orderly transfer of assets from Advocate Mines Limited to a potential new owner, whoever that may be.

MR. WINDSOR:

It has become obvious to us, as I indicated right from the beginning, Johns-Manville Company who are the managers of the mine, certainly appear not wanting to see this mine reactivated. I think that is very clear to all of us who have been involved in these negotiations, the member for Baie Verte (Mr. Rideout), the former Minister, the member for Mount Scio (Mr. Barry), myself, my officials, officials of the federal government, including Mr. Rompkey who has been representing the federal government in this particular issue, that Johns-Manville certainly does not seem to want to see this mine reactivated and, in fact, are doing everything possible to delay the potential take-over, knowing that a loss of market would, in effect, mean that the mine could not be reactivated this year. And if, Mr. Speaker, the mine is not reactivated in 1982, that would cast serious doubts on the possibility of being able to break into the market place in 1983 and reactive that mine in 1983.

So that is the gravity of the situation and that is why government finds itself forced at this time to introduce a piece of legislation which provides the government the authority, if it becomes necessary, and only, Mr. Speaker, if it becomes absolutely necessary and if all attempts at negotiations fail, that government would have the authority to expropriate the property. I would hasten to point out that government has the authority to exclude from that expropriation order any of the assets that are deemed not necessary to the orderly take-over of the operation. In other words, if certain aspects can be sold or transferred by negotiation, then government would have that flexibility.

MR. WINDSOR: Perhaps the most important section in this particular piece of legislation, in this bill, which is really a straightforward piece of legislation, is Item 7 which provides the method of compensation for the assets. And that, Mr. Speaker, simply points out that compensation will be determined on the basis of the present Expropriation Act so that the company will have the opportunity to receive a fair value as determined by some independent court, so that they will, indeed, receive fair market value.

I would point out that in meetings with Johns-Manville and the receivers last week, we talked to them about the possibility that government may be forced to take this action, and they certainly thought that this would be reasonable and they expressed their confidence that government would, indeed, ensure that they receive the fair market value for their assets. And that is precisely, Mr. Speaker, what this piece of legislation does.

So, Mr. Speaker, we are forced to move ahead with this so that we can obtain these assets, so that we can ensure that an orderly transfer takes place, and that we still have our options open

MR. N. WINSOR: to either deal with the Transpacific proposal, or, perhaps, with any other proposal that may come forward from the Lake Company or any other company. So in essence, Mr. Speaker, and in a nutshell, that is what the expropriation legislation entails. That is the purpose for the legislation and we certainly hope that this indicates, once again, government's commitment to resources of this Province, in that we will not allow any forces from outside this Province to control our resources and to preclude their orderly development and the maximization of the benefits of those resources to the people of this Province.

SOME HON. MEMBERS: Hear, hear!

MR. NEARY: Mr. Speaker.

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

MR. NEARY: This bill has nothing to do with government's commitment to the resources of this Province, this bill has to do with a difficult situation that has arisen as a result of a callous mining company that pulled out without having the decency and the courtesy to give the minister, or the Premier, or the Government of this Province notice that they were doing so. And I am amazed to hear that the former Minister of Mines and Energy did not know about the closing of the mine in Baie Verte until he heard it on the radio. I find that very difficult to believe, Mr. Speaker, very difficult to believe, that the company would, doing business in Newfoundland, operating under permits and under the authority of this Province, would pull out and decide to close down their mine without as much as advising the government of the Province who were responsible for getting them there in the first place.

Now, Mr. Speaker, I can understand

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MR. S. NEARY: the hon. gentleman's regrets. But, if the hon. gentleman will recall, one of the first items we raised in this House several months ago was the matter of the assets of the Baie Verte Mine. And we wanted the government to move quickly at that time, if hon. gentlemen will check the Hansards, check the records. We wanted everything in Baie Verte frozen. I suggested at the time that not as much as a stick of pencil should be allowed to be moved out of Baie Verte, Mr. Speaker. And now, several months later, we have finally come to the realization that maybe that is what they should have done several months ago, freeze the assets of this company. When the Bell Island Mine closed, Mr. Speaker, when DOSCO pulled out of Bell Island, when they were phasing down the operation and getting towards the end of the operation on Bell Island, they started to cannibalize the operation. They started to rob the equipment off Belle Island. They wanted to send it over to the Nova Scotia coal mines.

MR. NEARY:

They wanted to sell equipment to other mining companies in Canada. And when I saw that happening, I went to the Premier of the day, Mr. Smallwood, and I told him what was happening. He asked me what could be done about it, and I said, 'Freeze the assets. Do not allow them to move anything off the plant.' Well, he kind of looked at me like I had two heads. He invited me into the Cabinet. I went in and told the Cabinet the same thing and some of the right wingers in the Cabinet were rather taken back, shocked, that a little rebel like myself should come in and ask the Cabinet to take on a big company like DOSCO. And when I explained to them what I thought should be done - if we were ever going to get another operator, whatever chances we had of getting a new operator for that mine, it had to be done with the mine intact. So, as a result of my recommendation, the Cabinet of the day - I was not a member of the Cabinet - decided that they would freeze the assets, And when they called me back two or three days later to tell me that DOSCO had agreed to turn over all their assets on Bell Island to the government, turn them back to the Province for one dollar, I was rather proud of that. But then I said to the Premier, 'Well, what about the stockpiles?' And he said, 'Yes, what about the stockpiles?' 'Well,' I said, 'there are two stockpiles of ore over there.' He said, 'Yes, what about it?' I said, 'Well, is that a part of the deal?' Well, he said he did not know, and I said, 'Well, that is very important.' So he picked up his phone and he called Mr. Forsythe, who was President of DOSCO, right in my presence, and he

MR. NEARY: said, 'What about the stockpiles?' And Forsythe hedged and said, well, he would have to meet with the board of directors and he would give him an answer within twenty-four hours. And the answer came back, yes, it included the stockpiles.

So that is my first question to the hon. gentleman: Are there any stockpiles in Baie Verte? I have not been down there recently.

MR. RIDEOUT: No.

MR. NEARY: There are no stockpiles? They shipped all the ore before they -

MR. RIDEOUT: Every ounce of fibre is gone.

MR. NEARY: Every ounce of it. So they got rid of it. They knew what they were doing, in other words. The company knew what they were doing when they got rid of their stockpiles. And, by the way, that should always be a clear indication to mining communities. Miners could always tell when they saw their company getting rid of the stockpiles; when the stockpiles were dropping below normal they knew there was something up, Mr. Speaker. So that should have been an indication to the administration that they were up to no good, they were up to something.

But, Mr. Speaker, why can we not get the same deal as we did with DOSCO? Why can not the provincial government take over whatever assets Johns-Manville own in Baie Verte? Why can we not take them over for one dollar?

MR. NEARY: I realize there are certain leasing agreements with Greyhound as far as the mobile equipment is concerned and that sort of thing. There are certain things that we cannot take over for \$1.00 because Johns-Manville do not own them. They own the mine, they own, I presume, some of the physical structures, they own the mills and they own some mining equipment and that sort of thing. But apart from all the things that they do not own, why can we not pass a law in this House taking back everything in Baie Verte that Johns-Manville own in the name of Her Majesty the Queen for \$1.00? Why should we have to compensate them one red cent? That is what I would like to know. Why do we have to compensate a company that without warning, that without notice, so we are told - we do not know whether that is correct or not - decided to pull out, leave Baie Verte economically marooned, maroon the workers in Baie Verte? And then all of a sudden we are going to be namby-pamby and expropriate. We go and tell the company - the company did not have the decency to tell us they were pulling out. We went and told the company, Look, we are going to expropriate your property. And the company says, Well, that is fine. Are you going to compensate us? And they said, well, you know, you will go through whatever the normal procedures are to be compensated. And Johns-Manville says, Well, boy, that is great. You are a fine crowd. Wonderful! Okay, we will be bringing a bill into the House, they tell Johns-Manville, we will be bringing a bill into the House now to expropriate your assets in Baie Verte. And they say, that is fine, boy. We will see you in court, or we will see you before an arbitration board. That is great! Mr. Speaker, there is

MR. NEARY: nothing dramatic about that.
But I would say now what we should be doing is taking the assets from Johns-Manville for \$1.00 and not pay them a red cent compensation. Why should we?

MR. WARREN: Hear, hear!

MR. NEARY: They were in there. They enjoyed the profits from that operation and they have left gaping holes in the ground down there. They left the people down there economically marooned, high and dry, people who built new homes, mortgages on their homes, wanted to make their future in Baie Verte.

MR. WARREN: Did you not ask the minister a question a few months ago about the assets?

MR. NEARY: Children growing up down there, schools financed by the people of this Province, a beautiful community and that is the best we can do, say, Look, boy, we are going to take your property and we are going to pay you for it. Well, that is what they wanted in the first place, was it not? That is probably why Transpacific could not get a deal,

MR. NEARY: because they wanted their pound of flesh. Why can we not, Mr. Speaker - I would like to hear the arguments, why we have to compensate that company. We will not look like a banana republic if we do not do it. What kind of bargainers do we have on that side of the House that they cannot sit down in a board room with Johns-Manville and say to that company, Look, you were a good company when you were here, at least reasonably good, you were a good corporate citizen.

MR. DOYLE: You do not know if they were good or not?

MR. NEARY: No, I do not. I am just saying they might have been, I do not know. But you decided to pull out of here without warning leaving everybody high and dry. Now, Mr. Johns-Manville, so long, it has been good to know you.

MR. WARREN: We will pay you to go.

MR. NEARY: You have made your profits, you have taken your money and you have run away -

MR. WARREN: We want to give you some more.

MR. NEARY: - and we are not going to give you one more cent of taxpayers' money, we are going to freeze your assets, take over your assets and we will pay you a dollar for it. That is all they are entitled to, not a cent more. If we could do it with DOSCO I am sure the administration with the mandate they have, the power they have, should be able to do it with Johns-Manville.

MR. HODDER: A good point.

MR. NEARY: Now, Mr. Speaker, the hon. gentleman may get up and may argue that, Well yes, boy, we have to do this because we do not want to get a bad reputation in the international business world, or we do not want to make ourselves look like a banana republic. And I would say, Mr. Speaker, none of these arguments would apply in this case. And I guarantee you now, if

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Tape No. 1976

MJ - 1

MR. S. NEARY: When we get it, Mr. Speaker, when we get the mine, I hope the government will hold onto it. If we get the assets down there, I hope they will hold on to them. I hope they will not make a deal with Transpacific or any other company to give these assets to another company where we will have to go through the same procedure to get them back. In the event that we are successful in getting a company in there, we would have to go through the same procedure again. I hope it will be some kind of a leasing agreement, that the people who take possession of the assets in the name of the Crown will keep them forever, and we will not find ourselves in this position ever again. Mr. Speaker, so I will be interested in hearing what the hon. gentleman has to say about what they intend to do with the assets. As for Transpacific or any other company who is interested in operating the Baie Verte Mine, will they be sold to another company or will they be held in the name of the Minister of Public Works (Mr. H. Young), in the name of Her Majesty, the Queen?

Mr. Speaker, I do not think that there is anything else I can say about this except that there are a couple of things that trouble me about what has happened in connection with the negotiations to reactivate the Baie Verte Mine. And we all want to see that mine reactivated, Mr. Speaker, make no mistake about that. We are all in favour of that. But the government seems to be on a course of any deal is better than no deal. That is what it looks like, any deal is better than no deal. And, Mr. Speaker, as a result of that policy we saw a situation develop recently where the union turned down a package that was offered by the new company. The new company was not prepared to recognize the successor rights in the labour laws of this Province, they wanted to make a separate deal. And the

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Tape No. 1976

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MR. S. NEARY: union said, 'No.' And they were putting the gears to the members in such a way that they were in a position where they could not say yes. They had to look at, well, is any deal better than better than no deal? And they decided that no deal was better than the one they were being offered. That is what it looked like to me as an observer. And then the member for the district got jammed in the middle of it and stirred up a little controversy that did not do any good, that would not help the situation. The hon. gentleman has been jetting around the world,

MR. NEARY: Mr. Speaker, in connection with the negotiations that are going on, Well, I suppose there is nothing wrong with that, except that I think it would be far better to handle the matter on a ministerial level. I am not sure if the hon. gentleman goes with the minister when he goes, or if the hon. gentleman is off on his own.

MR. WINDSOR: He is competent.

MR. NEARY: Pardon?

MR. WARREN: He is very competent.

MR. NEARY: He is very?

MR. WINDSOR: Competent.

MR. NEARY: Competent. Well, we found out how competent the hon. gentleman was there a couple of weeks ago when the union said no to these proposals that were made by Transpacific. The hon. gentleman could not resist the temptation to take a little slap at the Steel Workers Union and at -

MR. WARREN: Martin Saunders.

MR. NEARY: - Martin Saunders, and as a result Martin Saunders was placed in an embarrassing position and had to resign yesterday from the Baie Verte Peninsula Task Force. And I think that is terrible, Mr. Speaker. I think the hon. gentleman should be strongly condemned, should be strongly condemned, Mr. Speaker. The hon. gentleman's heart may be in the right place.

MR. WARREN: His mouth was not.

MR. NEARY: That is right. His heart might have been but other parts of his anatomy were not. He should have kept a still tongue. It was not the hon. gentleman's business. The members of the Steel Workers Union are a responsible group of people. Their representative in this Province is a man for whom I have a great deal of respect, I think he is one of the top labour leaders in this Province, And then somebody

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Tape 1977

PK - 2

MR. NEARY: is going to get up and say, Well, you are playing to the galleries. Well, so what, Mr. Speaker? If I cannot say what I think about that hon. gentleman in this House while he is here, why should I wait until he leaves to say it? He happens to be one of my favourite labour leaders, a very responsible gentleman. I do not know if he is aware of that, but I am an admirer of his. He does not subscribe to my political philosophy or maybe he does. Maybe he does. If he had been around in 1959, he might have been a running mate of mine when I ran in that election.

But these are all responsible people, Mr. Speaker, very responsible. And I was shocked

MR. NEARY: to hear the member for Baie Verte - White Bay (Mr. Rideout) say the unkind things and make the unkind remarks and take a slap at his own people, some of whom no doubt voted for the hon. gentleman.

AN HON. MEMBER: Not some - a lot of them.

MR. NEARY: A lot of them did. Maybe if they had their time back it would have been different. They had high hopes for the hon. gentleman. But the hon. gentleman destroyed the credibility of the president of the union in that area to the extent that he was forced to resign from the task force because he was afraid that private and confidential information would be withheld from him -

MR. WARREN: They will get him back.

MR. NEARY: - that the hon. gentleman would see to it that he did not get any information. I think that is regrettable, Mr. Speaker, and the hon. gentleman should be strongly condemned, especially by the people in that area, for what he did, for his actions in this regard.

So, Mr. Speaker, really the key questions here are: Why should we have to pay any more than a nominal sum of one dollar for these assets? What will happen to the assets when they are taken over by the Province? And, in the event that everything else fails - and God forbid, Mr. Speaker, that they would, because we all want to see nothing but good come to Baie Verte and the people of Baie Verte - but in the event that everything fails -

MR. NEARY: - that all these negotiations filter out and peter out, will the assets be held intact for a limited period of time? As long as they can be kept without rusting out or becoming corroded and motors getting damaged and that sort of thing, will it be kept intact for, say, a reasonable period of time, a year or so, and then after that will the assets be disposed of and the money distributed amongst the miners in Baie Verte?

Now, Mr. Speaker, having made these few remarks, I am happy to say that we are going to support this bill and we would like to see it pushed through the Legislature as quickly as we can. We are supporting the bill, if that is the best the hon. gentleman could do. He may have a valid reason for not just saying we are going to pay a dollar, but I would certainly like to reserve, Mr. Speaker, our right to raise that matter, to see if that can be done instead of going out and compensating them, paying hundreds of thousands and probably millions of dollars to Johns-Manville that they are not entitled to get.

MR. SPEAKER (Aylward): The hon. the member for Baie Verte - White Bay.

SOME HON. MEMBERS: Hear, hear!

MR. RIDEOUT: I want to take a very short while, five or ten minutes, to speak on this bill. I will not be very long, but I certainly cannot let it go without having a few words to say on it.

My first reaction, Mr. Speaker, to what the hon. the Leader of the Opposition has said in whole, or 90 per cent of what he said, would be to say, 'Hear, hear!' and 'Me too.'

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Tape 1978

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MR. RIDEOUT:

If I were to allow emotion, based on the facts of what has happened in Baie Verte over the last ten or twelve months, my emotion would be with the

MR. RIDEOUT: Leader of the Opposition (Mr. Neary) when it comes to saying give Johns-Manville nothing, give them a dollar and get rid of them. That too, Mr. Speaker, is what I would like to do if that was what we could do.

But it is a little bit more complicated than that, Mr. Speaker, there is more than Johns-Manville involved. Johns-Manville happen to be about a 30 per cent owner of Advocate Mines Limited. They happen to be the managers, they happen to have the managing contract, and they happen to be, in my opinion, the culprits. They have referred to us on one occasion or another as a banana republic, and I have referred to them as a banana corporation. Because, in my opinion, that is what they have been in terms of Baie Verte, especially what they did to Baie Verte on the 13th. of August last year.

But there happened to be other people involved in the ownership of Advocate Mines. There is the Eternit Group in Belgium, which have been gentlemanly and aboveboard. They have gone out of their way and they are almost 50 per cent owners of that corporation. There are independent shareholders, about 20 per cent, and some of them have been very helpful to us. There are the trade creditors, Mr. Speaker.

We have to remember that this Advocate Mines Limited, though not technically in bankruptcy, is in receivership under The Bankruptcy Act. So there are some obligations to trade creditors. There are obligations to lease creditors.

When the hon. gentleman talks about the freezing of the assets, for example, in the case of Bell Island, the case of Advocate is a lot different in that most of the moveable equipment that is at Advocate Mines Limited

MR. RIDEOUT: is leased equipment. So you have to deal with Greyhound and you have to deal with City Corp. and you have to deal with a lot of other people, banks included, who had leased equipment at that property. So it is not just cut and dried. It is not just simply walking in and taking the assets for a dollar, because there are a lot of other obligations involved. And that is why this government, Mr. Speaker, had to be very careful, when this act was being drafted, in making sure that we were not so viciously intent on getting back at Johns-Manville that we impaired the rights of other people who have dealt aboveboard and who have dealt very well and straightforwardly with this government over the Advocate matter.

So I would hope that that would be kept in mind. Now, as it applies to Johns-Manville itself I have no quarrel whatsoever about doing anything that we can do to replace them as the part owner and operator of that property. They have stood in our way for months. They have been unco-operative for months. They have not done a thing except to throw road blocks in the efforts that we have been making to try to attract another operator to that property.

So this bill will take that stumbling block away, Mr. Speaker, and that is why I believe it is very important that we get this bill passed as quickly as possible so that government can make the moves if it needs to make them. And that has to be understood very clearly, can make them , if they need to be made.

Now, there are a few other things that I would like to refer to. There has been ,Mr. Speaker, no cannibalizing of the equipment at Advocate Mines. As I have said, most of the moveable equipment is leased and most of that equipment is still in place.

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Tape No. 1980

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MR. T. RIDEOUT:

Four trucks have been dismantled that were owned by City Corp. and parts of those four trucks have been sold. Sixteen of the fleet that was leased from Greyhound is still on the property, they are still in existence. A couple of tractor trailers that were leased from Continental Bank were removed just after the mine closed down. But by and large the mine has not been cannibalized, as the hon. the Leader of the Opposition (Mr. S. Neary) referred to it. The equipment, by and large, is in place and there have been negotiations between the potential operators.

AN HON. MEMBER:

By and large?

MR. RIDEOUT:

Well, I said exactly the numbers,

sixteen out twenty trucks are still there.

There have been negotiations between the proposed operator and the operators and the leasing companies, and it seems that there will be no difficulty in working out a deal on the continuation of those leases. There was some mention made to stockpiles. I said there were no stockpiles. Well, there is a subgrade stockpile, Mr. Speaker, but that has to be milled. It is not milled. It could be milled, I have been told. There is a subgrade stockpile that could be milled, but there is no fibre inventory on the property at the moment. My understanding is that the warehouse has been totally cleared out, so there is no asset in that regard to seize. That was done shortly after the close-down announcement was made.

Mr. Speaker, I want to refer to one other matter, since the Leader of the Opposition made a great point of it in clueing up his remarks, and that was my relationship with the union representing the workers at Baie Verte. Mr. Speaker, I make no apology to anybody for my relationship with the labour movement in Baie Verte. I have

MR. RIDEOUT: resignation was tabled on the same day that the task force finished up its business. The task force has finished, the report has been prepared. I understand from the chairman that it has been submitted to the printers for printing and except for the presentation of the document to the Resource Policy of Cabinet when it is finished, the job is done. So, you know, I really cannot understand that as a reason. But, as you know, he is an honourable gentleman. He worked hard on the task force, he has given a lot of time to lots of very good causes in the town of Baie Verte and I certainly compliment him for the work that he has done.

Mr. Speaker, I am very proud that the government has moved to bring in this bill and I will certainly be supporting it.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER (Aylward): If the hon. the minister speaks he will close the debate.

The hon. the Minister of Mines.

MR. WINDSOR: Mr. Speaker, my colleague from Baie Verte - White Bay (Mr. Rideout) has certainly very well outlined some of the answers to some of the questions raised by the Leader of the Opposition, and, I think, told this hon. House precisely what has been happening in Baie Verte, precisely what has been taking place.

I will only take one moment to address one or two issues.

MR. WINDSOR: The hon. the Leader of the Opposition asked why would we not simply pay a dollar. Well, Mr. Speaker, this government has never expropriated assets from anybody in this Province without paying fair compensation. We have no intention of doing so now.

SOME HON. MEMBERS: Hear, hear!

MR. WINDSOR: As my friend from Baie Verte - White Bay (Mr. Rideout) has indicated, Mr. Speaker, yes, sentiment would certainly indicate that we would like to do that. He has outlined very well and very ably persons other than Johns-Manville who have interests here and whose rights certainly should be protected, and this government will certainly see that they are treated fairly, in accordance with the Expropriation Act.

In relation to the unions, Mr. Speaker, let me simply say that throughout this whole process, government has made every effort to co-operate with the union, with the town of Baie Verte, with the Chamber of Commerce, with everybody involved in the operation at Baie Verte, and we have received extreme co-operation from all of these groups all of the way through. The only difficulty now has been at the end, of course, the negotiating between the company and the union in the final terms of an agreement to continue in Baie Verte. But throughout this process, Mr. Speaker, we have made, I would suggest, perhaps an unusual attempt to ensure that the union has been fully involved, that they have been fully informed and that they know exactly what is taking place and why. The same is true of the town council, Mr. Speaker. I would take this opportunity to say that the Mayor of

MR. WINDSOR: Baie Verte and his council have been extremely co-operative and very supportive to government and of great assistance to government throughout this whole process, as has the President of the Chamber of Commerce in Baie Verte, who has been very involved all the way through as well. Also, as I may not get the opportunity later - the hon. the member for Baie Verte - White Bay - (Mr. Rideout) has referred to the task force - I want to personally thank the task force for their work. I am aware that their report will be submitted very shortly. We are looking forward to that task force report. We are hopeful that we may not need the results to simply alleviate the difficulties and social implications

MR. WINDSOR:

of the closing of the mine at Baie Verte. We are hopeful that we can reactivate that mine so that their work will not be necessary for that purpose. Nevertheless, the work that they have done is extremely important in identifying, hopefully, other industries that can be identified and put in place on the Baie Verte Peninsula, other employment opportunities that can be put in place, other resources that may be developed in Baie Verte so that the whole economy of the Baie Verte Peninsula, as a result of this task force report, can be strengthened and broadened so that the people of the Baie Verte Peninsula will have other opportunities for employment and that they will not be as dependent on one industry as they have been in the past. Because inevitably, hopefully fifteen years from now - at least the oil reserves will carry the mine for that long - but in fifteen years from now inevitably that mine will have reached the end of its life, of its useful life and will inevitably close. And hopefully, as a result of these unfortunate circumstances, the task force will have identified other industries which can soften the blow of that eventuality when it indeed does take place. Mr. Speaker, I take great pleasure in moving second reading.

On motion, a bill, "An Act To Expropriate The Property Of Advocate Mines Limited", read a second time, ordered referred to a Committee of the Whole House presently by leave. (Bill No. 56)

MR. MARSHALL: Order 48, Bill No. 53.

MR. SPEAKER (AYLWARD): Order 48, Bill No. 53.

Motion, second reading of a bill,
An Act Respecting An Increase Of Certain Pensions. (Bill No. 53)

MR. SPEAKER (AYLWARD): The hon. Minister of Finance.

DR. COLLINS: Mr. Speaker, I do not know if much needs to be said on this really. This is a provision that was mentioned and indicated in the Budget Speech, and it is similiar to an action that was taken last year, and it is to give an increase to the pensioners for which government is responsible. It is a step forward. I think it is appreciated by all those who benefit from it. And effectively it is an across-the-board increase of 8 per cent. There will be a floor so that the increase will not be in any instance less than \$240. In addition to that there is an increase for those pensioners who retired prior to 1971. Those pensioners were on a very small pension. So there is a particular increase given in addition to the 8 per cent to those who retired before 1971. That incremental amount is maximum for those retiring before 1962, and then is in declining amounts up to 1971. The minimum pension of \$2,200 per annum is maintained. That is the absolute floor. There will be no pension less than that no matter what.

So with those few remarks, Mr. Speaker, I move second reading of this bill.

MR. SPEAKER: Is it the pleasure of this House that the said bill be now read a second time?

MR. ROBERTS: Your Honour might want to look at both sides.

MR. SPEAKER (AYLWARD): The hon. member for the Strait of Belle Isle.

MR. ROBERTS: Thank you, Mr. Speaker. I shall be very brief because we, on this side, support it. This is simply a bill in effect to implement an indexation of pensions. And given that the cost of living continues to increase, and given that many, if not all, of the people receiving the pensions paid under the fourteen different statutes which authorize the payment of pensions out of the provincial treasury, given that these people, most if not all of them, are looking to their pensions as their sole source of income, or their sole source in addition to the old age pension if they qualify for that, you know, it is only right and proper that a measure of indexation be brought in.

The increase in pension is 8 per cent and not less than \$140, is it?

DR. COLLINS: \$240.

MR. ROBERTS: \$240. In the event that 8 per cent of a pension is less than \$240, which would make the pension itself only \$2200 or \$2300, whatever twelve times \$240 is. I suppose there still are pensions being paid of that level because the pensions would be pegged to the income the people were getting, and it is only in the last ten or fifteen years that pensions - I am sorry, that incomes have really started to rise dramatically and the pensions with them.

DR. COLLINS: I do not want to mislead the member.

MR. ROBERTS: No.

DR. COLLINS: The 8 per cent or the floor is \$240. The 8 per cent will not be less than that per annum.

MR. ROBERTS: Whichever is the lesser?

DR. COLLINS: Yes, whichever -

MR. ROBERTS: Or whichever is the greater.

DR. COLLINS: Whichever is the greater per annum, yes.

MR. ROBERTS: Whichever is the greater, the 8 per cent or the \$240 per annum and that is fair enough. Because if your pension is so small that 8 per cent of it is less than \$240, your pension is less than \$2,600 or \$2,700, whatever twelve times \$240 comes to, and you certainly should get an income of \$240.

Mr. Speaker, I would like to make two other points. First of all, we should again realize that the pension liabilities of the Province - in this sense the government represents the Province - must be immense by now. I do not know if we have an actuarial figure, but the liabilities are not even contingent. Many of them are actual liabilities and must be not only hundreds of millions, by now we must be up to the billions of dollars. And if we do not have an actuarial study I would suggest to the minister that he might very well wish to commission one so that we get some idea of what future generations are going to have to pay. I am not particularly concerned about them because I have enough faith in the ongoing process of the world to believe the pensions will be paid.

MR. ROBERTS: And, of course, our pension plan is no different than many other pension plans including the Government of Canada, the C.P.P. plan as opposed to their own Public Service Plan, in that the liabilities are immense and well beyond any resources that we can see. But time has a habit of taking care of it. However, we should be aware of it, what we are incurring and what we are likely to incur. The government are moving to fund these pension plans, I forget what is in the fund now, \$20 million or \$30 million. Is it \$20 million a year we are putting in?

DR. COLLINS: (Inaudible) last year and \$18 million this year.

MR. ROBERTS: All we are really doing of course by do so is moving the debt from one column to another. We are moving it from the pension liability column into a column which, by the way, does not show in our public accounts - maybe the Public Accounts Committee should have a look at that, - but we are moving it into the actual debt column because the \$20 millions, or whatever it is we are putting into the pension fund, we go out and borrow as part of our overall borrowing. I am quite willing to see it moved towards funding but I think that we should realize that we will never be in a position to - we have funded our debt - I am sorry, we have funded our pension debt. The pension debt must literally be billions of dollars now as opposed to hundreds of millions. We could never fund it, and, as I just said, I do not see any reason to fund it. The American Social Security Programme, as a matter of interest, has been bankrupt on paper - it was started in 1934 - since about 1935, and, of course, it keeps on meeting its obligations as they fall due and that is enough. The second point, I think, is very brief, but, I would suggest to the minister, one he might have a look at. If we go back to the statutes

MR. ROBERTS: we will find an "An Act Respecting An Increase Of Certain Pensions" has been passed every year, at least for the last eight or ten years, I have not researched them through, but at least eight or ten. Maybe we should come to the point where we should no longer maintain the annual charade. If as a point of policy we are going to increase pensions by a fixed percentage or a fixed minimum amount each year, why do we not do it with one piece of legislation? If we ever came to the point where the government of the day decided not to increase them for some reason - maybe we are so strapped we cannot even give the pensioners 8 per cent -

MR. ROBERTS: then the obvious thing is to bring in a bill to suspend the operation of the law for a period of time. But really, you know, it is policy - it has been done every year; the numbers are the same every year - I think it is a good policy, I think it is a wise policy: Perhaps we should move right to the point where we have adopted indexation because let there be no doubt about this - and I will conclude on this note, Sir - the Public Service pensions in this Province, by which I mean the fourteen different types of pensions paid under fourteen acts - some of which only apply to one person, I guess, others of which would apply to many hundreds of conceivably many thousands of persons - those pensions are indexed in fact if they are not in law, and I suggest we should simply bring the law into conformity with practice. I have no objection to seeing the pensions indexed. It seems to be a fact of life these days. It is one that all governments are going to have to live with. It is one, I suggest, that private industry is going to have to live with.

In any event, Sir, with those few comments we, on this side, support it and we will vote in favour of the bill and we will carry on from there.

MR. SPEAKER (Aylward): If the hon. minister speaks now he will close the debate.

The hon. the Minister of Finance.

DR. COLLINS: I thank the hon. member opposite and he brings up a number of points that I have made note of. I will say though that in terms of funding, at least our funding, even though we do not expect, certainly within the life of this Assembly or a couple

DR. COLLINS: of Assemblies, to fund the total amount, at least we are putting some sort of a cap on the amount that future generations will have to take care of.

PREMIER PECKFORD: And it was done by this administration.

MR. ROBERTS: Not as a signal for the bond market.

DR. COLLINS: I think it is a progressive move. I think it is perceived as having been a responsible act to move in that direction, and I think it was a very good measure and I think it is a measure that we are rightly proud of.

MR. ROBERTS: I do not think we should get carried away with it.

DR. COLLINS: In regard to the other matter of whether we should not bring in these pension increases each year but have some mechanism in place where it is more or less automatic, perhaps tied to some index or other, and I suppose the cost of living index would be the obvious one, that is the way to go. But it is, as the hon. member mentioned, an expensive one. At the present time I think we are handling the situation while still retaining a needed measure of flexibility. But I thank the hon. member for his suggestions and I move second reading.

On motion, a bill, "An Act Respecting An Increase Of Certain Pensions", read a second time, ordered referred to a Committee of the Whole House, presently, by leave. (Bill No. 53).

MR. MARSHALL: Order 49, Bill No. 54.

MR. SPEAKER (RUSSELL): Order 49, Bill No. 54.

Motion, second reading of a bill,
"An Act Respecting An Increase Of Certain Pensions For
Transferred Employees". (Bill No. 54)

MR. SPEAKER: The hon. Minister of Finance.

DR. COLLINS: Yes, Mr. Speaker, very briefly,
this refers to those employees who were previously employed
by the Newfoundland Government, transferred elsewhere such as
to the Government of Canada, but they elected to leave their
pension rights arising from their employment with the
Newfoundland Government with the Newfoundland Government. So
this is to do much the same as the previous; it is to give
them a justifiable increase.

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

MR. NEARY: Mr. Speaker, I can only say ditto
to what my hon. colleague, the member for the Strait of
Belle Isle (Mr. Roberts) already said.

On motion, a bill, "An Act
Respecting An Increase Of Certain Pensions For Transferred
Employees", read a second time, ordered referred to a
Committee of the Whole House presently by leave. (Bill No. 54)

MR. MARSHALL: Order 50, Bill No. 55.

Motion, second reading of a bill,
"An Act To Amend The Gasoline Tax Act, 1978". (Bill No. 55)

MR. SPEAKER: The hon. Minister of Finance.

DR. COLLINS: Mr. Speaker, this bill does one
thing essentially. It makes the administration of the
Gasoline Tax Act administratively more sensible, shall we say.
At the present time whenever there is a change in the
amount of tax that arises out of the ad valorem tax we
put on gasoline and on diesel, whereby that amount of tax
has to change as the base cost of these fuels goes up,
there has to be an amendment made to the regulations and

DR. COLLINS: that amendment has to be made by the Lieutenant-Governor in Council. What this act will do it will now allow the minister to actually indicate what the ad valorem tax is. The ad valorem tax itself is not changing, it is just the amount that arises out of the fact that the tax is an ad valorem one or a percentage one. The minister will set that and the act specifies on what basis he will set it. As the regulations now stand there is a narrow range that the Lieutenant-Governor can pick in between, but this present amendment will make that more specific and it will

DR. COLLINS: allow the actual amount to be set by the minister on the basis of the ad valorem rate that has of course been set by this House.

I move second reading.

MR. SPEAKER (RUSSELL): The hon. member for the Strait of Belle Isle.

MR. ROBERTS: Mr. Speaker, there is nothing like a fine day in July to make things go speedily. I will not speak for any length of time on this particular bill, but I do want to point out to the House that it is not quite as simple as the minister says.

MR. MARSHALL: He is certainly not misrepresenting it.

MR. ROBERTS: I do not know if he is misrepresenting it. My friend from St. John's East (Mr. Marshall) says he thinks the minister may be representing. I think the minister may not understand it. That is probably closer to the reality of the situation. I am not going to say anything about the fact that the tax is ad valorem. That has been so for three or four years and we have made our position on that quite clear and I do not need to repeat it. What we are doing here is two things: We are first of all moving, once again, a power from the Cabinet to an individual minister. It is bad enough that the power goes from the House to the Cabinet, but now it goes to an individual minister - and I venture to predict that the next stage will be an official. And in fact in real life, in most cases, it would be an official. The minister may sign but of course, if we look at the act, The Finance Department Act, we will find that anything that the minister may do may be done by the Deputy or the Assistant Deputy or the Assistant Clerk or the Associate to the Assistant to the Deputy, on down the line. And I think that should not be done without noting and it should not be done without protest.

This is not some minor administrative matter. This is a matter, or a law, a statute, a bill which

MR. ROBERTS: sets the method by means of which the Gasoline Tax rate is determined. And the Gasoline Tax produces what in a year? \$200 million, \$300 million, \$400 million? It is one of the most significant revenue sources that we have. I could get out my estimates - the minister has his in front of him - and look it up. It is a very significant revenue source. And this simple little bill is the methodology by which it is set.

I am not so much concerned with taking out the section in the present legislation which provides a range and substituting for the range a methodology pegged to the average retail price.

DR. COLLINS: \$61.5 million.

MR. ROBERTS: The minister tells me it is \$61.5 million. It is a very substantial sum of money indeed, one that almost every Newfoundlander and Labradorian pays because almost everyone of us from time to time has occasion to buy gasoline. I am not so much concerned with substituting a range of monetary values, and substituting for that a methodology calculated or pegged to the average retail price, and that is relatively straightforward. And we all know that the price of gasoline is such now that it may go up and it may go down, but almost certainly it is going to go up, and that any range specified in legislation either has to be so broad as to be meaningless or will have to be amended every year - although interestingly enough we can amend an Increase Of Certain Pensions Act every year, but it is administratively inconvenient to amend every year a tax rate that affects everyone, every single Newfoundlander. That is an interesting commentary, not on the minister's approach, I think that probably reflects the officials' approach down in the Finance Department. To them the House of Assembly is a mere inconvenience. It is a nuisance to have, not just in the Finance Department - it has nothing to do with who Her Majesty's Ministers may be - I think it was equally true when we were the government and will be equally true, I fear, when we are there again in a year or two. But, Mr. Speaker, the fact remains that the House is regarded at best as being an inconvenience and at worst as being a positive menace to the functioning of the Public Service.

They would like to have it their own way and this bill represents that philosophy. I do not like that philosophy. I think it is contrary to the whole system of government which we have and the whole system of government which we should have. In the lower

MR. ROBERTS: portions of the bill, the new section 47.1, which is being added to the bill or to the statute, to the law, there are what appear to be innocuous words which simply say, 'The minister may by order set out the manner and method in which the average retail price of gasoline may be determined for the purpose of section 3.' Section 3, of course, simply says that you pay the tax of 22 per cent of the average retail price. So what it boils down to now, if this bill is passed, is the minister, without even going to Cabinet, may specify the manner and the method by which this tax shall be calculated.

Now the minister did not tell us why that should be so. To my way of thinking it is bad enough that the Cabinet have that power, but at least the Cabinet is a group of fifteen or sixteen or seventeen or eighteen, I believe, however many of them there may be from time to time, men and women who have a collective power and a collective decision. We are now moving out of the Cabinet into one man, one minister -

DR. COLLINS: But a member of the Cabinet.

MR. ROBERTS: I know he is part of the Cabinet, but the fact remains that he is not the Cabinet.

So, Mr. Speaker, very simply, I will say we see no need for this legislation and, that being so, we are not going to vote for it.

MR. ROBERTS: It is an unwarranted attack upon the privileges - not the privileges, upon the function of the House. It is not a matter of mere administrative convenience, it is a matter of giving to the minister a power which he ought not to have. It may be necessary to vest it in the Cabinet, but ought not to be with the minister. And the average retail price is not some minor administrative matter; it is a matter that affects \$60 million in taxes, it is a matter that the minister ought not to have the power to decide on his own. We have too much power in this Province, Sir, vested in officials, and in ministers acting as officials as opposed to ministers acting as politicians, or as political figures answerable to this House of Assembly. And I am quite sure I know what the minister is going to say. He is going to get up and, he is going to scoff at this and say everything is fine and we answer to the House. And probably, you know, when we were there we would have said exactly the same thing, but that does not make it right; it is wrong. I will end by simply saying that if the ministry want to really do something worthwhile for the administration of the Public Service in this Province and for the administration of the public life in this Province, they could bring in a procedural code which governs the power of officials and the power of ministers. I suspect that under the new constitution, once we at the Bar get at it, we are going to be able to knock down large sections of the acts in this Province, acts which allow officials without court orders, without recourse to anybody to go in and seize books and records and make searches. The Minister of Labour's (Mr. Dinn) legislation is filled with them, I could probably find fifty.

MR. PECKFORD: It is a procedural thing.
It is not a bad idea.

MR. ROBERTS: It is a procedural thing, and I agree with the Premier that it is not a bad idea. I have been saying it for three or four years here. He made the same comment a year ago and I hope that he will implement it. I am not able to implement it given where I stand in this House; if I had the opportunity I would do something about it. But it is something we should do. And the way to do it is not to amend any particular act; the way to do it is to bring in a procedural bill affecting all, and make officials answerable in some relevant and reasonable way. I am not suggesting that the Minister of Labour (Mr. Dinn) ought to have to go before the judge of a court any time he wants to check an employer's records to see whether the minimum wage is being paid or not. But nonetheless the fact remains now that officials have astonishing and arbitrary power to make searches and seize documents. And, you know, the parliamentary secretary to the Minister of Finance (Dr. Collins), when he is not being the parliamentary secretary or being a member, runs a business and, as far as I know, he runs it well. I will tell him that he could wake up tomorrow and discover not even the deputy minister but some minor functionary coming and saying not only do I want to look at all your books, but I am going to take all your books and carry them

MR. ROBERTS:

away because I am not sure that you are living up to the Minimum Wage Act or some other requirement. And that is unreasonable, unnecessary, unwarranted, arbitrary and wrong. What we are doing here is just another example of that philosophy. It ought not to be allowed, Sir.

MR. NEARY: Hear, hear!

MR. SPEAKER (RUSSELL): If the hon. minister speaks now he closes the debate.

DR. COLLINS: Mr. Speaker, when the method of changing the taxation of gasoline and diesel fuels was brought in, the mechanism for so doing or controlling the change was to have it done by Cabinet, and that has been so for the past year or so. Now during that time we found that the method is working. It achieves what we aimed that it should set out to achieve, and it is doing it as it does in other jurisdictions. However, that year has also shown us that it is a very administratively cumbersome way of doing it. So we have now come back to this House to make the administration aspects of the new method of taxation more in line with what is being done in other jurisdictions and what, from our experience with the tax, with the method of putting in the tax, has shown us the way it should be done in this jurisdiction.

Whilst the hon. member has brought up a number of theoretical points, this has not increased anyone's power and it is merely a means whereby we can carry our job more efficiently. So I move the second reading.

On motion, a bill, "An Act To Amend The Gasoline Tax Act, 1978", read a second time, ordered referred to a Committee of the Whole House presently by leave. (Bill No. 55)

July 2, 1982

Tape No. 1990

IB-2

MR. MARSHALL: Order 16, Bill No. 38.

MR. SPEAKER (RUSSELL): Order 16, Bill No. 38.

Motion, second reading of a bill, "An Act To Remove Anomalies And Errors In The Statute Law". (Bill No. 38)

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

MR. MARSHALL: Mr. Speaker, on behalf of the Minister of Justice (Mr. Ottenheimer) I introduce this bill and it is merely a technical housekeeping bill. On the advice of the office of the Legislative Council there comes to attention from time to time certain technical errors by way of grammatical corrections that have to be made, and spelling corrections. And this is what this amounts to.

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

MR. NEARY: Mr. Speaker, this is pretty powerful stuff, really essential legislation. We cannot resist - how could we? - supporting this bill.

MR. SPEAKER: The hon. member for the Strait of Belle Isle.

MR. ROBERTS: I have only one question, Mr. Speaker, because the debate has certainly said everything that need be said on this particular piece of legislation. But when we come to Committee, would the minister be able to tell us what section 2 means? It seems to put the Public Officials Garnishee Act in second place to the Financial Administration Act. That may very well be justified, I am not saying it is not. But let us -

MR. MARSHALL: I will check on it.

MR. ROBERTS: Yes. The minister is like me, he does not know what it is either. So let us check that. The Public Officials Garnishee Act is a good one because it puts the Crown

MR. ROBERTS: employees, including MHAs, on the same level as anybody else in the Province, namely, their wages can be garnisheed to pay their debts, and that is fair enough. There is no reason that civil servants ought to be able to be sheltered from paying their debts. But let us find out what that does. I do not know what it is, nor does the minister.

On motion, a bill, "An Act To Remove Anomalies And Errors In The Statute Law". (Bill No. 38), read a second time, ordered referred to a Committee of the whole House, presently, by leave.

MR. MARSHALL: Motion 2, Bill No.57.

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

COMMITTEE OF THE WHOLE

MR. CHAIRMAN (Aylward): Order, please!
The hon. the Minister of Finance.

DR. COLLINS: Mr. Chairman, just to get procedure straight, we are actually debating a resolution here, but the resolution will have a bill flowing from it and that bill is bill No. 57. So I will speak, of course, on the bill itself.

It is quite a large bill, if one looks at it, in terms of printing, but I do not think I need to speak on it extensively. What this bill will do will be to bring in another provision of the budget. You remember when we brought in certain fiscal measures to meet what we anticipated what would be a short fall if we had only previous sources of revenue available to us, we had to bring in some new fiscal measures in the budget and we determined to bring these in in a way that would have the least possible regressive

DR. COLLINS: effect on the average taxpayer, and this is one of those moves. We are bringing in what is called paid up capital tax, or a corporate capital tax bill, and this will be paid by companies in regard to their paid up capital, that is the equity in the company, the assets of the company, minus their liabilities. It is not on their income, it is on the actual -

MR. NEARY: It applies to Crown corporations?

DR. COLLINS: Well, I will explain to whom it applies now as we go along.

MR. NEARY: Does it apply to Crown corporations?

DR. COLLINS: No, it does not apply to Crown corporations.

So that is the first point, it is a tax on the assets of the company. It only applies to banks and to trust and loan companies, that is, banks

DR. COLLINS:

as defined in the Bank Act, which is a federal statute, and to trust and loan companies such as defined by the Trust and Loan Company Licencing Act, which is a provincial statute, and by the Trust Companies Act, which is a Canadian statute. In other words, it applies to all financial institutions that do banking. Now, I think it is of some importance to point out that it does not apply to finance companies such as defined in the Loan and Trust Company Act. These will be financing companies that a taxpayer, a citizen might go, say, to get a loan to buy a piece of furniture or whatever. This tax will not apply to such firms.

The rate of the tax is 1.5 per cent. Now again, it is, I think, of some importance to note this would be deductible in the hands of the bank or the financial corporation in regards to the Corporate Income Tax Act, the federal statute. In actual fact they will not pay a total outflow of 1.5 per cent. The tax is at that rate on their assets because by deducting it they probably would only pay about half that amount. So there will be an outflow equivalent to about .75 per cent in actual fact.

The Province will acquire additional revenues in the amount of about \$1.5 million this year, that is fiscal '82 - '83, or over the ten month period and it will be somewhat more over a full twelve month period obviously. I might point out that other jurisdictions have this tax in place, I think there are five or six of them; B.C., Saskatchewan, Manitoba, Ontario, Quebec, and now Newfoundland. In those other jurisdictions capital tax applies not only to banks and financial institutions but applies to a much broader range of corporations. However this Act in this Province will only apply to these two.

Now, just one final word

July 2, 1982

Tape 1992

TM - 2

DR. COLLINS: on the rationale for the tax because it might be looked upon as being an onerous tax on top of all other taxes, and to some extent that is so. But banks and financial institutions do not feel the weight of corporate income tax that

DR. COLLINS:

other corporations feel. They have ways of tax avoidance, just by the nature of their operations and by the nature of the Corporate Income Tax Act, whereby they can avoid paying income tax which other corporations cannot avoid. So this is really righting that redress. And I might use the analogy of the insurance companies' tax. That is a tax put on insurance companies because the Corporate Income Tax Act does not catch them the way it does catch other firms, so this is why we have an insurance companies' tax. So this is a similar mechanism. And with those words, Mr. Chairman, I move the adoption of this resolution.

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

MR. NEARY: Mr. Chairman, I do not want to speak on this bill but my colleague, the member for the Strait of Belle Isle (Mr. Roberts) is momentarily out of the Chamber. Is there something else we could do for a few moments while we are waiting for him to return because he wanted to have a few words on this bill?

MR. MARSHALL: Yes, sure.

MR. NEARY: Is there something else we can do in Committee while we are waiting for him to come back?

MR. MARSHALL: Well, if we can agree. This Committee is a Committee to -

DR. COLLINS: He could speak in third reading.

MR. MARSHALL: I think what we had better do is rise the Committee and bring it back as Committee of the Whole so nobody will question it after and we will do the Committee of the Whole on the bills and do it.

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Tape No. 1993

IB-2

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

MR. SPEAKER (RUSSELL): The hon. member for Kilbride.

MR. AYLWARD: Mr. Speaker, the Committee of the Whole reports that it has considered the matters to them referred and have directed me to report progress and ask leave to sit again.

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

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

COMMITTEE OF THE WHOLE

MR. MARSHALL: Do you agree to stop the clock
at one o'clock?

MR. ROBERTS: Oh, sure.

MR. CHAIRMAN (AYLWARD): Order, please!

Is it agreed to stop the clock
at one o'clock?

MR. NEARY: At one minute to one.

MR. CHAIRMAN: One minute to one.

We are now discussing the resolution
on Motion 2.

Does the member wish to address the
Committee?

MR. ROBERTS: Well, is the minister going to discuss it?

MR. CHAIRMAN: He did.

MR. ROBERTS: Oh, I am sorry.

MR. CHAIRMAN: The hon. member for the Strait
of Belle Isle.

MR. ROBERTS: I appreciate the courtesy of
gentlemen opposite. I had not realized the minister had
spoken. I have a few fairly brief comments. I was outside
the Chamber giving an interview to CBC praising the Minister
of Finance (Dr. Collins) in one way or another. He may
not agree it is praise, but I am praising him and I understand
it will be aired in due course and I am sure he will hear it.

You know, Mr. Chairman, this bill
is a troublesome one, but not troublesome in the idea of taxing
corporations. I mean if we have to levy extra taxes then
we have got to levy extra taxes and I suppose corporations
are as fair game as anybody. In fact corporations can
pay a tax, I suppose, more readily than many individuals
or many natural persons simply because corporations by
their nature are almost inevitably enabled or in a position
where they can pass the tax on. And if we increase the

MR. ROBERTS: corporation tax, then, you know, that is going to be reflected. It all comes back ultimately to the consumer because the consumer in the long runs pays for everything and that includes the costs of corporations and the costs include taxes.

What bothers me about this particular bill, Sir, is the method by which we are going at it. I do not know when it was distributed here in the House. I would suggest - and I have not had a chance to check it - at most two or three days ago. I was here in the House yesterday and it had not been distributed then that I saw, and the distribution by the method of simply putting it on our desks is a pretty effective way of distributing matter to members. It was announced in the budget, and the minister made the government's intention quite clear in the budget, so here we are given a bill with sixty-five separate clauses in it. It runs for forty-one pages and it is not a simple bill. This is not a matter of changing a tax rate from 1 per cent to 2 per cent or something of that nature. I am wondering whether the ministry would consent to let it stand over to the Fall session?

Now I notice that the Act comes into force on June 1st.

MR. ROBERTS: So in that sense it does not matter - it does not matter when it, you know, comes into law, when it gets its third reading in here and all that, when the governor gives his assent - when it becomes law. Any person doing business in this Province now has notice that as of June 1, 1982, a tax has been imposed on the capital of corporations. The bill is public, it is widely available. The reason for letting it stand over is, first of all, I would like to read the bill. I suggest that most members of the House might want to have a look at it. And I will wager that other than the minister and maybe one or two of his colleagues in the Cabinet, I will wager that nobody has read this bill. I do not say that pejoratively; that is probably true, Mr. Chairman, that ninety-five per cent of the legislation that goes through the House. You know, my friend from Harbour Grace, and my friend from Grand Bank, and my friend from Port de Grave doubtless have not read, "An Act Respecting The Imposition Of A Capital Tax On Financial Corporations", yet they are being asked to enact it into law. It is an entirely new tax in this jurisdiction. There has been comparable taxes, I am told, in other jurisdictions, but I have never looked at the legislation under which those taxes are being imposed or they are being collected and the assessments are being made. So what I am suggesting to the committee quite simply is that there will be no harm in letting it stand over. The tax is not payable until the next year, if I read it correctly. I may not have read it correctly, but if I understand it correctly the tax does not fall due until January, 1983. Could the minister tell me whether that is correct?

DR. COLLINS: It falls due within 60 days of the fiscal year of a particular corporation.

MR. ROBERTS: All right, 60 days of the fiscal year of the corporation. Most corporations have fiscal years that correspond to the calendar years, but certainly not all do. In fact they can change them. As the minister, I am sure, knows, it is possible for a corporation to change its fiscal year end.

DR. COLLINS: There are procedures.

MR. ROBERTS: There are procedures, it is not easy, but it can be done. And if one can convince the income tax people - it can be done legally very quickly; it just takes a resolution of the company, probably a general meeting, but certainly it could be done by a general meeting - but to convince the tax people is another matter. But it can be done and it is done, and why should it not be if it is justified? I am suggesting there is no real harm in putting it off. Let us not try to debate with the clock stopped

MR. ROBERTS: when nobody has had a chance to read it. That is not the way legislation should be put through this House. Where there is an urgency let us put it through. The Advocate bill, we were told about it privately, I believe, two or three days past and we saw the bill this morning and we have agreed to put it through.

DR. COLLINS: Yesterday it was distributed.

MR. ROBERTS: Yesterday, I am sorry, it was distributed; we have agreed to put it through, no problem at all, because there is an urgency, an obvious urgency. But on this tax there is not. Furthermore it is a complicated matter and I would suggest the business community - the minister is courting the business community now and well he should; he has a considerable job of courtship ahead of him there; it is an uphill struggle - the business community might like an opportunity to look at it. I do not know whether it should go to a select committee or not, that might be a little much, but at the very least they should have an opportunity to look at it, to talk to their accountants, to get advice on it and then perhaps make representations to the minister or to his Parliamentary Secretary, who I gather is the chief wooer, the swain who will go acourting of the business community. So that is all I want to say on it. Let us put it off. We are going to be back here in the Fall - I do not know when, but October or November - and then we will have ample opportunity to put it through. It will not cost the ministry anything because it is going to come into effect on the first of June anyway, that is what the bill provides, so let us put it off. Let us have a chance to look at it. Let us legislate properly and effectively, not ram through something that can have immense implications.

MR. ROBERTS: You know, this is going to affect every corporation in Newfoundland, that is what it is meant to do.

DR. COLLINS: No, it is not meant to do that, just banks and financial institutions.

MR. ROBERTS: The banks and financial institutions. And given what we hear of the banks, all we need now is to say we are taxing the banks. People are lined up - are they not? - in Clarenville - did I read that? - and in Marystown - Whitbourne, is it? - thinking that the banks are going to run out of money.

MR. TULK: Why is that, I wonder?

MR. ROBERTS: Well, there is a rumour around that the banks are going to run out of cash, out of cash money. And I know of at least one bank, I know I am told of at least one bank that had to send the Brinks truck out over the road with a half million dollars in cash in it, because people were lining up - there was a run on the bank - and people were lining up to withdraw. All we need now is -

MR. NEARY: Just like before the Great Depression.

MR. ROBERTS: Yes, it is the same feeling, people feel the banks - it is completely irrational, completely unwarranted. You know, to begin with I would suggest that it is all but unthinkable that a bank would fail. And secondly, if a bank is going to fail it is not because the depositors at one branch have their withdrawals. It will be because some major corporation goes under leaving the bank secured perhaps,

MR. ROBERTS: but with \$500 million or \$600 million or \$700 million worth of debt. You know, that is a possibility that that could happen, and it would certainly stagger the banks. And finally, of course, the Government of Canada in its wisdom and munificence through - what is it called? - the Canada Deposit Insurance Corporation - I do not have any savings account - but, they ensure all of these savings accounts anyway. So whatever people need to worry about, I do not think they need to worry that their savings account in the banks are going to evaporate on them. But, I say to the minister, I think there are reasons to put it off, and I can conceive of no good reasons to put it through today. So let us simply put it off and then come back at it in the Fall, that is all I ask.

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

DR. COLLINS: Mr. Chairman, the hon. member has made at first glance a very good point. It is a large bill, there are a large number of sections to it, and therefore it seems to be reasonable to ask that it be given a period of study. However, I do not think it should be put off for a couple of reasons. Firstly, a large number of banks do end their fiscal year on the 1st of October as opposed to the end of December - I should say at the end of September as opposed to the end of December. So that would mean that if we put this off until the Fall, many banks would have closed their books for this present fiscal year. Now, they would still be liable to the tax, but it would mean that they would have to open their books again, and that would cause them some administrative difficulty. And I suggest that the banks would prefer to know before they close their books at the end of the fiscal year what they are getting into.

DR. COLLINS: I am sure their accounting staffs will want to know that. The second reason I do not think there is need to put it off is even though this is a large, and at first sight a complex bill, it is in actual fact a bill that is patterned extremely closely on bills in the other five jurisdictions. So banks are very familiar with this type of tax, the method of defining or assessing paid up capital is a matter that has been in place since at least sometime in the 60s anyway, so it is not a new accounting technique. And the banks that we have in this Province, such as the Bank of Nova Scotia, the Royal Bank, so on and so forth, they are well used to paying this tax in other jurisdictions. So they just have to extend what they

DR. COLLINS:

are doing in other jurisdictions to this jurisdiction here. So it will not cause the banks any great difficulty. In point of fact, our act here is simpler than in other provinces because in other provinces this comparable capital tax applies to a broad range of corporations, almost all large corporations - it does not apply to all small corporations - but all large corporations, not just financial institutions. Whereas ours applies purely and simply to financial institutions and, as I mentioned, does not apply to finance companies as such, because finance companies fall into a different category than what this tax states are the taxpayers. So I can see the hon. member's point, and one does not like to have a large bill presented with many sections in it, but I would like to assure the hon. member that it is a bill that the banks really do not have any difficulty with in understanding. I do not think the lawyers will have any great difficulty, certainly not lawyers in other provinces, where this applies. So, I mean, shall we say the legal groundwork is there for anyone to consult. And it is administratively quite a simple thing to bring into effect.

MR. CHAIRMAN (Aylward): The hon. the member for the Strait of Belle Isle.

MR. ROBERTS: Mr. Chairman, the minister has the power of the government to his back, and so I am not going to pretend that I can change his mind, I mean, I have seen enough of this minister to know that he has all the stubbornness that comes with being unreasonable. I could probably personally keep this

MR. ROBERTS: bill into Committee for the rest of the day without any trouble at all, just by simply using my rights as a member to speak again and again; we are in Committee of the Whole and there is no time limit. But that would make me just as stubborn and just as stupid as the minister is. The minister has given no reason at all; in fact by his own words he has given the very reason why it ought to be put off. He says first of all that the banks know about it and he says therefore it should go in immediately. Now, if the banks know about it they can make their calculations if they are worried about how much the government are going to collect under it. And the banks know full well what is going to go through. They can make their calculations, the bill is now public. Secondly, of course, he then blows the game entirely by saying 'it is patterned' - and I marked his word; he used the word 'patterned' and the minister is doubtless using it precisely, he is not trying to mislead the Committee - the bill is patterned after similar jurisdictions, but there are changes. Now, is not that a lovely thing? We are being asked at the last minute - here we are now, a lovely fine July afternoon, the first fine day in July; and maybe the last, who knows? - to consider a bill that was distributed - what? - twenty-four hours ago, forty-eight hours ago? -

AN HON. MEMBER: Yesterday.

MR. ROBERTS: - Which we are told is patterned on other legislation, but who is to say? What are the changes?

MR. ROBERTS: There are changes. I do not know what they are - I have not even read the bill. The minister may not have read the bill. I do not know if the minister reads legislation, but I would not expect him to read this kind of legislation; he is not a lawyer. He may have read it through - I compliment him on that - and he would be the very first then to agree that he does not understand it. Why should he? It is not his job. He is a pediatrician, and he is good at that. So he says it is changed. And he is not willing to let even a couple of months go by. Then he says the banks know, but they want to be certain. The minister can tell them it is going to go through. He has got the arrogance of forty-three men and women to his back and he can do pretty well whatever he wants, you know. Now, I am not going to filibuster - I mean, I could; believe me I am capable of it, and I certainly have the right to do it and I think I know how to use that right - but I am as anxious as anybody else to get out of this House. I will simply say the minister is being unreasonable, he is being stubborn, and he is reducing this House to a mockery. This is a charade, to bring in a bill to which there is no urgency, to bring it in at the last minute - we could have had it a week or two or three or a month ago - to bring it in at the last minute, to ram it through all stages in one day. And then the minister has the gall to get up and say well, you know, there is no need to put it off; it is patterned on but different than other bills. But who is to say what the changes are? Does the minister know what the changes are? You know, this is not good enough, Sir. I had expected a little intellectual honesty from the Premier and from that Cabinet and this is not good enough. If they want to insist on it they can have their way, Sir, but here is one voice, and my colleagues are others, that is going to protest this kind of treatment of the House. It is shabby,

MR. ROBERTS: it is shoddy and it is not worthy of this administration that likes to pretend, Sir, it has some intellectual honesty. Well, it is obvious, Sir, it does not in this case.

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

DR. COLLINS: Mr. Chairman, the hon. member has entered into debate with good vigour. He has made some very good debating points and, as he says, we could go on with this for days and days. But I would like to not just have this at the level of just a debating society discussion. I would like to just look at the bill as it stands on the Order Paper for the benefit of the people of this Province. In actual fact, if there was any need, if there was any perceived need on this side of the House to put this off for further discussion, for further consideration, I do not think there would be any difficulty about it. But in actual fact the Budget Speech which was made on the 27th of May indicates we were going to bring in a paid up capital tax. The motion has been on the Order Paper, I do not know how long, but for a number of weeks, so hon. members knew that this was going to come forward. What has come forward is a typical paid up capital tax measure, it is a typical paid up capital tax measure. So there is nothing weird, wonderful or strange about it and it is even a bit narrower, shall we say, or has less application, a narrower

DR. COLLINS: application than the paid up capital tax in other provinces. So there will be nothing to be gained by a period of consideration, because there would not be anything in particular to consider during the ensuing months.

On motion, resolution, carried.

On motion, clauses 1 through 10, carried.

On motion, clauses 11 through 65, inclusive, carried, by leave.

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

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

MR. SPEAKER (Russell): The hon. the Chairman of Committees.

MR. CHAIRMAN (Aylward): Mr. Speaker, the Committee of The Whole reports that it has considered the matters to it referred and has directed me to report that it has adopted a certain resolution and recommends that a bill be introduced to give effect to the same.

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

On motion, a bill, "An Act Respecting The Imposition Of A Capital Tax On Financial Corporations" read a first, second and third time, ordered passed and its title be as on the Order Paper. (Bill No. 57).

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MR. MARSHALL:

Order 47, Bill No. 51.

Motion, second reading

of a bill, "An Act To Amend The Newfoundland And
Labrador Hydro Act". (Bill No. 51).

July 2, 1982

Tape 2001

TM - 1

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

MR. MARSHALL: Mr. Speaker, this is a bill that I bring to the House's attention because of the large amount of money that is involved. What it does is it authorizes the Newfoundland and Labrador Hydro to borrow an amount of \$295 million, and because of the amount I would want, of course, to deal with the reasons for it in a fairly comprehensive fashion. Because, as I say, this is a large amount of money. Can I say, of course at the outset, and I cannot resist this comment, that the fact that a bill of this nature is coming before the House is once again an indication of the determination of this government to see that all financial matters are out in the open, that they are fully debated in the House itself. Because prior to the requirement that had been set down for introducing bills of this nature in order to get borrowing power, the Cabinet could do it on its own. The Cabinet cannot do it on its own in order for Hydro to borrow, the House must approve. And because the House must approve, the people of Newfoundland then know. We have to explain to the people of Newfoundland and to the House, of course, through the House, the reasons for it, and that is precisely what I intend to do now with respect to this bill.

In July, 1981, was the last bill which authorized the Newfoundland and Labrador Hydro to borrow some \$250 million. Now this particular bill will cancel out that bill, and make it quite plain that any residue that remains to be borrowed on the 1981 bill will not be borrowed. In actual fact, what was borrowed under that bill was \$174 million leaving a balance, which we could borrow under the old legislation, of \$76 million. Unfortunately, with escalations in costs and what have you, that is not, at the present time, sufficient for the purposes, particularly

MR. MARSHALL: with respect to purposes of the Cat Arm Development. Because this would only allow Hydro to borrow either on a temporary basis or on the Canadian markets. But the U.S. issues are usually more than \$75 million, they go to \$100 million and the Europeans do as well.

I should point out as well, Mr. Speaker, that Hydro recently financed \$100 million in the United States capital markets. And the fact that it did this, I think, and the way in which it was done, bears note. A prospectus has to be filed when one borrows money, and the prospectus which was filed in this case was treated expeditiously, very, very expeditiously and -

MR. NEARY: No, it was not.

MR. MARSHALL: Oh, yes it was.

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Tape No. 2002

MLeP - 1

MR. MARSHALL: It was received very, very favourably -

MR. NEARY: It was held up.

MR. MARSHALL: No, it was not held up, Mr.

Speaker, at all. Now the hon. gentleman is not correct in his facts, and he should be careful before he makes statements like that.

MR. NEARY: The process was slow.

MR. MARSHALL: No, I will tell you what happened now with respect to that. We filed the prospectus. Our application was received in faster time than it ever was before, which bears testimony to the perception of the increased strength of this Province in the financial markets. And we did not borrow immediately because our own advisors down there thought that within about a week's time the market would get better. So they withdrew and they came back in a week's time, And this was contrary to -

MR. NEARY: That is not what the SCC says.

MR. MARSHALL: Well, this is the situation.

Because in a week's time they came back and the market was in a better condition. We even borrowed at a lower interest rate.

MR. NEARY: The SCC slowed down the process.

MR. MARSHALL: No, the SCC did not and it is irresponsible for the hon. member, with all due respects to him, to say it. The fact of the matter is that bond issue was treated in a very expeditious and a very cordial manner. It was processed quicker than any other issue we had and -

MR. NEARY: What interest?

MR. MARSHALL: - and it bears testimony to the regard that the financial community has to Hydro and to this Province, of the increasing strength, financial

July 2, 1982

Tape No. 2002

MLeP - 2

MR. MARSHALL: strength which is diametrically due to the way in which the finances of this Province are being managed by the Peckford Administration. It has not sunk in to the hon. gentleman, but it has reached the New York bond markets, Mr. Speaker.

MR. NEARY: What is the rate of interest?

MR. MARSHALL: The hon. gentleman should go travelling now when we adjourn, and maybe he will go down in the States and he will hear some people talking about what a good government we have.

MR. NEARY: Well, you criticized me for going down to Standard, and Poors and Moody. What is the rate of interest?

MR. MARSHALL: Yes, I criticized now - I do not want to be provocative, Mr. Speaker, with the hon. member, because I have to be very careful of being provocative this late in the session and particularly today, but I do criticize the hon. gentleman for going to Standard, and Poors and calling up Standard and Poors and asking whether or not there was anything wrong with the credit of this Province.

MR. NEARY: No, that is not the question. That is not the question.

MR. MARSHALL: You know, were they looking at our bond rating?

MR. NEARY: That is a diabolical distortion of the facts.

MR. MARSHALL: In actual fact, as I say, their performance show they were regarding us as being stronger. But for the Liberal Party to have done that, even for the purpose of the election, Mr. Speaker, is not doing -

MR. NEARY: Not so.

MR. MARSHALL: - a service to the people of this Province. And I suggest that before the hon. gentleman jumps into the waters in these areas, he should learn to swim and he should understand what he is doing. Because when he does that kind of thing, and the Liberal Party does that kind of thing, what they are doing, they are irretrievably damaging the credit of this Province. And it is an act against this Province, one which would be very hard, if the people of Newfoundland knew the motivation behind it and what it could have caused, would be very hard to forgive. The fact of the matter is that the credit of this Province is regarded in a stronger fashion than it has ever been before, and we have no better witness to this than the success of the last \$100 million bond issue. Now, that \$100 million was used and has mainly been used for the remaining construction on the Upper Salmon project.

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Tape No. 2003

PS - 1

MR. MARSHALL: What we want in this particular bill, this is our borrowing programme to take the capital construction of Hydro - \$295 million will carry it through to 1983.

MR. NEARY: The Cat Arm and the Upper Salmon?

MR. MARSHALL: No, there is very little of the Upper Salmon that will be - now the \$100 million was with the Upper Salmon in view. This \$295 million, only a small amount of this, \$5 million, will be for the Upper Salmon. The continuation of the Cat Arm project will be \$375 million and the transmission and other projects which will involve upgrading of the whole island - because of the increased output we have to upgrade the transmission facilities - we estimate it to be \$90 million. So up through 1983 we estimate the total construction programme for Hydro to be in the vicinity of \$470 million. We are borrowing here -

MR. NEARY: Doing what apart from Cat Arm?

MR. MARSHALL: Oh, Cat Arm is the main thing.

MR. NEARY: Well, what are you going to do with the \$400 million?

MR. MARSHALL: Well, that includes the \$100 million, the \$100 million and the \$295 million.

MR. NEARY: What is the total cost for these two projects?

MR. MARSHALL: The total cost? I am going to come into the total cost, particularly the Cat Arm, if the hon. member would bear with me for a minute. Well, perhaps I can get into it now. I just want to say that that \$295 million will give us - God help us when we talk about these amounts of money, they are large amounts - the capacity to borrow \$100 million on a U.S. issue, which will be now about \$130 million Canadian, \$75 million Euro/U.S. issue, and \$175 million Canadian issue, which is about \$295 million. Now, I also want to advise with respect to the status of the Cat Arm project. As everyone knows there has been an

MR. MARSHALL: escalation in the Cat Arm project.

That is a matter of knowledge, it was announced by the Chairman of Hydro, and it has been the subject of comment and observation. As we know the project, the completion date has been extended for a period of six months, which has appreciated the cost. We have had cost increases with respect to interest during construction. The amount that was estimated on the basis of expert evidence that we had, or expert consultations that we had, it turned out to be greater. There are general escalations that everybody in North America are experiencing. And there were problems, of course, as everyone knows by now with the road. So, the Cat Arm project is now, at the very highest, estimated to go to \$449.6 million, which is certainly no small amount, and that is an escalation from \$287 million.

MR. MARSHALL: It is made up of an increase in construction costs, it is made up mainly of interest during construction, increased interest rates and the expansion of the completion date, escalation and various other elements. So it is a large amount of money. Indeed it is a high amount of money. It is a very high amount of escalation, as well, in the project itself. But I would draw to the attention of the House that even though there has been this escalation, we have looked at it very, very carefully and it is still cost effective as compared with oil. It is going, over the next few years, to provide a tremendous amount of jobs, badly needed jobs, of course, at this period of time. And just to give you an example, in 1981, the peak employment from the hydro related activities was 350, in 1982, in the Cat Arm, peak employment will be 700, in 1983 there will be 950 jobs and in 1984 there will be 850 jobs. Of this amount of money some \$90 million plus is going to be injected into wages in this Province, which is badly needed. So, these escalations, as we say, they are of concern, obviously, to government, but are different than the escalations really, and it relates to the same type of escalations that have been experienced all over North America, indeed all over the free world in the past few years. It has been increased as a result of the amount of the interest during construction, and also it has been increased as a result of the road costing more than it should. But it is cost effective. I can assure the House that nothing has been wasted and nothing will be wasted. It is the best source that we now have. I have to observe rather ruefully that it would have been better - we would have preferred other alternatives and those other alternatives would have been tied in. And we have to come back to it again, whenever we are considering

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Tape 2004

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MR. MARSHALL: escalations in cost, whether it is a result of oil or as a result of marginal hydro developments on the Island, we have to come back to the problem that we experienced as a result of the inability for us to transmit our hydro and our inability to be able to develop the Gull Island, the Lower Churchill.

Before I sit down, I think, in connection with that comment I would like to once again observe very, very sadly the postponement of the power corridor in Labrador, which is going to further delay our anticipations for development up there,

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Tape No. 2005

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MR. MARSHALL: because we cannot transmit power through our sister provinces in Canada. And in this connection I think I should draw to the attention - because I think this should be drawn to the attention of the public, and particularly I think of the press, because it was popularly reported at the time - this transmission line, this Bill C-108, at the time when it was announced that the power corridor would be delayed, it was popularly painted that it was going to be delayed for six months. And I think the press was given the impression by federal officials or politicians, to the effect that after six months automatically we would get our power corridor. Now I find that impression is completely wrong. I have here the last Section of Bill C-108 and I am going to give copies of this to the press afterwards. I draw their attention to Section 33(2) which says as follows and I quote, "Sections 12, 13 and 32 shall come into force on a day to be fixed by proclamation, but no proclamation issued under this subsection may purport to have been issued on a day that is prior to the day that is six months after this act is assented to", end of quote. I am going to also table, as I indicated in debate earlier this week, Bill C-108 so that we will have a record of this in the House, and particularly draw members' attention to Section 33(2). I draw the attention of the press too to Section 33(2), because it is rather unfortunate in that matter and all matters, and I repeat again, although I do not want to get into current negotiations either on the offshore or the transmission corridor, it is this Province's

MR. MARSHALL: desire to arrive at negotiated settlements and we hope to be able to negotiate at all times. We are ready, willing to negotiate in good faith on the basis from which we have stated we are ready to negotiate in good faith. But this goes to show one of the real problems which we face in this Province. Because there is no doubt, and I think the press and any member of the public will concur, that the impression was given that within six months time Newfoundland would automatically get this power corridor. Now, that is not in accord with the facts. And the people who gave that information obviously knew better, because they were the authors of this Section 33(2). And the very fact that it has been painted that way, and the very fact that there has been, and you can only call it - I am not prepared to say whether it is innocent or deliberate, people can draw their own conclusions. You can come to no other conclusion, that it was a misrepresentation of the stated facts. There can be no doubt from this act that the power corridor has been denied to us until the federal government at some time in the future decide to give it to us, which is no different than it was before this act was enacted. impression that has been given to the effect that it would come into play within six months is erroneous. I draw, as I say, this to the attention of the House because it relates to our difficulties

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Tape No. 2006

RA - 1

MR. MARSHALL: with respect to the development of hydro in this Province and the development of our resources. And it is a very serious thing in my estimation. You do not mind debate, you do not mind facing somebody publicly and debating with them and putting your position to them, but I think the general public is entitled from their elected representatives to get the true facts of the situation that is before them and not to have such an important thing as this misrepresented. So, Mr. Speaker, having said that I will close my introductory remarks by a sum up of this, that this bill is for \$295 million which will take our borrowing programme into 1983, the construction season of 1983. Most of it is for the Cat Arm project. We would want the House to know there has been an escalation in the Cat Arm project that has resulted from factors outside of our control.

AN HON. MEMBER: How much?

MR. MARSHALL: Well it is now -

MR. NEARY: \$45 million?

MR. MARSHALL: Oh, no, it has gone more than \$45 million. It has gone to \$449 million, which is the outside amount now that the engineers have -

MR. NEARY: From what?

MR. MARSHALL: - from originally \$287 million to \$449 million. And that is made up of, say, construction costs, interest during construction and escalation.

MR. NEARY: And that hurts.

PREMIER PECKFORD: A lot of it is just interest.

MR. MARSHALL: It hurts, Mr. Speaker, but it still happens to be the most cost effective way of providing energy in this Province with one exception; we would have been in a better position had we been able to get the development going on the Labrador power, but that has been beyond our control,

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MR. MARSHALL: but something which we hope to be able to control in the future. In the meantime we have had to look to such items as Cat Arm, and in looking to Cat Arm we have experienced the same problems, the same onerous problems as the Western world have with respect to interest rates, escalation and the problems with the terrain and the construction. But we are still going to get power out of there much cheaper than we could from oil fired generation and in the process we are going to provide many hundreds of badly needed jobs for Newfoundlanders.

SOME HON. MEMBERS: Hear, hear!

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

MR. NEARY: Mr. Speaker, I am so flabbergasted, I do not know where to start. But I will start with the last part of the hon. member's remarks about Bill C-108, which has nothing at all to do with the bill presently before this House. The hon. gentleman was trying to dupe the press, trying to distract from the fact that the cost of Cat Arm has escalated from \$287 million to \$449 million, or an increase of \$162 million.

MR. NEARY:

And that is not the end of it yet, Mr. Speaker. And that hurts, Mr. Speaker, it hurts, and there is going to be severe repercussions from that increase. The fact of the matter is, Mr. Speaker, that I hate to stand in my place in this hon. House and say we told you so. My hon. former colleague, the member for Winsor-Buchans (Mr. Flight), who was our spokesman in the last House on these matters, made some very interesting and valid points about the Cat Arm project, and warned the government, warned the government, Mr. Speaker, of the foolish energy policies they were on in this Province. My colleague argued for this side of the House, and we say now that we were 100 per cent right, that Cat Arm should never have been. \$449 million would have gone a long way to build a transmission line from Labrador and bring the power down across the Straits of Belle Isle over to the Island of Newfoundland.

PREMIER PECKFORD: That power would have been more expensive.

MR. NEARY: Pardon?

PREMIER PECKFORD: That power would have been more expensive.

MR. NEARY: That power would have been more expensive, the Premier says that power would have been more expensive. Mr. Speaker, I have grave doubts about that. They would have to show me.

PREMIER PECKFORD: The transmission line alone would go about \$2 billion or \$3 billion.

MR. NEARY: I would have to see it, Mr. Speaker, we would have the recall power from the Upper Churchill, we would have the development of the Lower Churchill -

PREMIER PECKFORD: It would be still more expensive.

MR. NEARY: - we would be able to market our surplus power to the markets on the mainland of Canada and the United States. What has happened, by the way, to the Anglo Saxon route? The hon. gentleman seemed to be pretty strong on that there a couple of years ago.

PREMIER PECKFORD: Yes, the last studies were about six mils to ten mils per kilowatt hour more expensive to go the land route.

MR. NEARY: Well, could we sell power in the New England states and in Nova Scotia and New Brunswick -

PREMIER PECKFORD: If you had enough -

MR. NEARY: - if it was six mils or seven mils or eight mils more than going through the Province of Quebec?

PREMIER PECKFORD: Based upon the cost escalation involved in the transmission line across the Strait, which has gone, perhaps, upwards to \$3 billion. The cost differential is real great. That is why we have continued to push for the corridor because then you will be able to do it all realistically rather than not being able to sell it. But the Anglo Saxon route is still there and still should be looked at very carefully.

MR. NEARY: Mr. Speaker, I am glad to hear that; I am glad to hear that we have one or two options open.

PREMIER PECKFORD: No, that is right.

MR. NEARY: Mr. Speaker, the fact of the matter is the Cat Arm project is going to break our backs in a very short time, And no wonder the Premier, the other day when I asked him if he would use his dicretionary powers to get the Public Utilities Board not to allow any increases in electrical rates this year over 6 per cent, which is the federal guideline, and the hon. gentleman said no, he would not dc it. Now, we know

MR. NEARY: the real reason why he would not do it. In a very short while, as a result, Mr. Speaker, of this escalation in the cost of Cat Arm and whatever we have to pay on the Upper Salmon, the administration will instruct Newfoundland Hydro to make an application to the Public Utilities Board for substantial increases in electricity to pay for their incompetence, Mr. Speaker. The real question here is how much is caused by inflation and how much of the increase cost is caused by poor planning and by incompetence? How much? Can the hon. gentleman tell us? Take the road - it is a classic example - the road to Cat Arm. I understand, Mr. Speaker, that they did not even bother to walk over the road. They just went down and sort of cocked their eye and said, 'Here is the flow of the road' to a Cat Arm site - no testings, nothing. They hardly walked over it, and so they called tenders and let a contract based on the flimsy information they had. And the contract I believe was somewhere in the vicinity of \$9 million and \$10 million.

MR. TULK: Eleven million dollars.

MR. NEARY: No, it was not \$11 million. It was the renegotiated one that cost an extra \$11 million. It was somewhere between \$9 million and \$10 million for the original road contract. And then when Lundrigans went in there to build the road, they discovered that there was more soft soil and more bog there than they had originally been told. And so, Mr. Speaker, the contractor could not carry on without negotiating additional

MR. NEARY: prices with Newfoundland Hydro, and then they revised the contract upwards to the tune of almost \$11 million. In other words, the contract extension was worth more than the original contract. The original contract was somewhere around \$9 million the extension to the contract was \$11 million. Mr. Speaker, talk about a government that plans. There is planning for you! That would destroy your confidence in the Five Year Plan that this administration talks about all the time. That Five Year Plan, I am afraid, is like the road to Cat Arm.

MR. LUSH: It cost an arm and a leg.

MR. NEARY: Mr. Speaker, so the real question here is how much of this \$162 million increase is caused by natural inflation, interest rates and so forth, and how much is caused by bad planning -

MR. LUSH: Stupidity.

MR. NEARY: - and stupidity and incompetence, and rushing in where angels fear to tread -

MR. LUSH: And only fools will go.

MR. NEARY: - and only fools, Mr. Speaker, would do that.

MR. MARSHALL: Do not be so unkind.

MR. NEARY: No, I am not being unkind, I am being realistic, Mr. Speaker. This is a matter that should concern Newfoundlanders very much. The hon. gentleman comes in today and asks for an extra \$162 million, which is not the end of it yet, and uses all kinds of devices to try to distract from some of the real reasons for the escalation in the cost, which have nothing to do with the power corridor and very little to do with inflation. But how many of these contracts were fixed contracts, Mr. Speaker? When you call a tender and

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Tape 2009

JC 2

MR. NEARY: you award a contract, how many
of these contracts were fixed contracts? Are the contracts
now being renegotiated? What other contracts have been
opened and renegotiated apart from the one with Lundrigans
on the road?

MR. NEARY: Or are these contracts cost plus? The hon. gentleman may as well lay it all out now, even though we are coming down the home stretch, Mr. Speaker. And I think it was a very cowardly thing to do to leave this bill for the last minute. And then we heard some time ago about a dam that collapsed on the Upper Salmon; that had to be repaired and put back in shape. Now how much did that cost? And are we going to be able to recover the cost of the damage to the dam that collapsed or gave way on the Upper Salmon?

Mr. Speaker, could the hon. gentleman tell us, Mr. Speaker - I can hardly believe that this is being treated so lightly by the administration - how many heads rolled, how many incompetents were fired because of this \$11 million blunder that was made, this colossal \$11 million blunder? How many were booted out the door? Has the President of Newfoundland and Labrador Hydro been asked to answer for this gigantic blunder, this colossal blunder? And how many millions of dollars, Mr. Speaker, were squandered and wasted in that way through underestimating the cost of that project? The government had alternatives open to them at that time, the alternatives were there. The whole thing is poor planning and incompetence and mismanagement. And it will be the consumers of electricity in the very near future in this Province who will have to pay for that incompetence. And not one, Mr. Speaker, not one incompetent was grabbed by the scruff of the neck and flung out the door. Instead of that the hon. gentleman is over trying to defend the indefensible. It is indefensible.

MR. WARREN: Now call an election. Call an election today.

MR. NEARY:

And I can tell when the hon. gentleman is on shaky ground, I can tell, Mr. Speaker. I have been observing the hon. gentleman long enough now to tell when he is on shaky ground. They are ashamed of this, they are ashamed of it, they are ashamed of their energy policy - and rightfully so. They should be ashamed of it.

MR. NEARY: And the hon. gentleman was over there a few moments ago figure skating on very thin ice trying to defend the indefensible. There is no excuse for it. You are fatiguing the indefatigable.

I just want to make sure that the point had registered, Mr. Speaker. You have to say it sometimes in three or four different ways in order to get the message home because after all, Mr. Speaker, when we look up and down the ranks you have to realize that I am not talking to intellectuals like the hon. gentleman. I have to get on his level. The trouble with debating on this side of the House, Mr. Speaker, you have to get on three or four levels. You have to make sure first of all that the people understand it - no, first of all you have to make sure the members understand what you are talking about, and that is not easy.

Mr. Speaker, when I look up and down that side I have to grope and pick and choose my words hoping that the message will filter through to even the backbenches on the other side. And I am hoping that in my simplicity, Mr. Speaker, that I may show them what they are supporting and what they are voting for. If they only knew what they were voting for in this bill, anybody with a conscience on the other side would either shift his seat or come waltzing across the House.

We have three or four different levels. And when I look up and down the ranks of the benches opposite, I have to try to get words that appeal to the Minister of Finance (Dr. Collins), I have to try to get words that will appeal to the member for Mount Scio (Mr. Barry), I have to try to get words on a lower level that will appeal to the member for Burin-Placentia West (Mr. Tobin) -

MR. WARREN: Impossible! You cannot go that low.

MR. NEARY: - and I have to get words on a third or fourth level that will appeal to the member for Buchans (Mr. McLennon), and that will appeal to the member for Carbonear (Mr. Peach); and the member for St. John's West (Mr. Barrett), I have to go down to a lower level for him. And the member for Harbour Grace (Mr. Young) is right at the bottom of the pile. But, Mr. Speaker, the fact of the matter is that no matter how you pick and choose words it is virtually impossible, it is virtually impossible to rivet home to the backbenchers on the government side of the House that they are supporting a measure, Mr. Speaker, they are supporting a measure that has been brought about by incompetence in Newfoundland Hydro and in the administration.

MR. NEARY: The member for St. Mary's - The Capes (Mr. Hearn) I am sure is a sincere and conscientious member and well-meaning, he means well. But, Mr. Speaker, does the hon. gentleman realize what he is supporting in this bill? Has the hon. gentleman studied the bill and listened to the hon. gentlemen and realized what he is supporting? Does the hon. gentleman think for one moment that the \$162 million increase is caused by interest rates and inflation? Is the hon. gentleman so naive and gullible that he believes that?

MR. HEARN: No.

MR. YOUNG: What about the MacEachen budget?

MR. NEARY: Mr. Speaker, the MacEachen budget has nothing to do with this bill, absolutely nothing.

MR. HEARN: Inflation has nothing to do with it?

MR. NEARY: I see. Let us allow 50 per cent inflation in the last year and a half: What about the other \$80 - odd million? Mr. Speaker, they should hang their heads in shame. And is it any wonder that the Minister of Energy (Mr. Marshall) who is responsible now for implementing government policy, is it any wonder that he stands over there trying to latch on to a few words that he hopes will distract the press from this enormous increase, this staggering increase of the cost of the construction of the Cat Arm project that we claimed in the beginning was unnecessary?

MR. RIDEOUT: Even the press have gone home.

MR. NEARY: The press are listening, the hon. gentleman need not worry about that. The hon. gentleman should know all about the press after his interview on CBC a couple of nights ago. Mr. Speaker, let the word go out from this House today that as a result of this incompetence that the consumers of electricity in this Province are the ones who will have to pay. And that is the real reason we could not

MR. NEARY: get a commitment from the Premier the other day to ask the Public Utilities Board to restrict increases in electricity to 6 per cent this year and 5 per cent next year. Mr. Speaker, there is not much else I can say about it except that it is shameful, despicable. The Minister of Energy (Mr. Marshall) and the President of the Hydro should hang their heads in shame. The President of Hydro should be right out the door after that one blunder of \$11 million that we know about. How much have we not heard about of waste and extravagance? They should have been right out the door, fired on the spot, called in and told, 'Look, you are incompetent. Out. You are fired.' Instead of that they give them an increase, they give them an increase in salary.

MR. TULK: Who is that anyway?

MR. NEARY: That is cousin Vic.

SOME HON. MEMBERS: Oh, oh!

July 2, 1982

Tape 2013

TM - 1

MR. NEARY: I mean, you know, Mr. Speaker, are we wasting our time over here? Does anybody take this matter seriously anymore?

MR. WARREN: No, my son, no way.

MR. NEARY: Do the media take him seriously?

Do the people take him seriously? Or do they just lie back and say we are going to be shafted by the government so we may as well just lie back and enjoy it and accept it. I have not reached that stage in life yet, but there is an awful feeling of complacency, Mr. Speaker. I can stand here day in and day out, I can stand here for hours and hours and express our concern and our shock over these things and all you can see are smirks and grins and jokes on the other side. Knowing that all they got to do is sock it to the taxpayers, up the taxes, up the electricity rates, give it to them to pay for their waste and extravagance and their incompetence. I think, Mr. Speaker, it is dispicable and shameful.

MR. WARREN: Shame, shame.

MR. SPEAKER (Aylward): If the hon. minister speaks now he will close the debate.

MR. MARSHALL: Mr. Speaker, I cannot allow that to go without answering him. Look, I mean, the perfect answer to it - well, not the perfect answer but one of the answers is he talks about electrical rates, The reason why this Province has the second highest - we are not responsible for this Province having the second highest electrical rates in Canada, P.E.I. is slightly ahead of us, and the Province of Quebec have not the lowest, Mr. Speaker. That would be the answer to a lot of the questions that the hon. gentleman posed over there, ranting and raving about incompetence and about the cost of electricity and the cost that the people of this Province are bearing, I think he should bear that in mind.

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Tape 2013

TM - 2

MR. MARSHALL:

Now, Mr. Speaker, it is very easy. First of all the hon. gentleman should not get up in this House and attempt to indicate that this government is trying to hide anything, to bring it in late or what have you. This government has brought in this borrowing bill; we are required to bring borrowing bills before the House of Assembly specifically for this purpose because we want to make a full revelation which is exactly what we did. It is easy for the hon. gentleman to hurl accusations about incompetence of people who are not here, but that is not, Mr. Speaker, in accord with the facts. The escalation of Cat Arm is a matter obviously of concern. Nobody wants to pay any more for the construction cost for electricity on the Cat Arm than we have to. But I remind the hon. member I have given him reasons as to where the problems came.

MR. MARSHALL: The problems came, first of all, partially with the road. There has been a delay of six months in the construction schedule. But the main thing has been the indirect cost, the interest during construction, escalation charges, and what have you that everybody has laboured under. It is not just this Province, it is not just Hydro, but everyone in the Western world. And I would point out, Mr. Speaker, that even though this cost is high, even though this cost is high and there has been a marked escalation, the fact of the matter is, Mr. Speaker, that this is still the preferred route to go in our present circumstances; it is still the most cost effective, it is still cheaper than we could deliver electricity through oil fired generation with a new unit at Holyrood. So, you know, we have looked into that. The interest costs have gone up, you know, have gone up tremendously, the cost of construction have escalated tremendously. There was a problem with the road. It is no secret that where the road is being built is in terrain where it is very difficult to construct roads. So, there are answers to all of this, Mr. Speaker. We do not particularly, you know, applaud the fact that there has been an escalation but we do know this, that the amount that is being paid is the actual cost of delivering that power; there is no money being wasted. We are building it in accordance with circumstances with which we are faced now, all of which are beyond our control.

DR. COLLINS: There is nowhere else to build it.

MR. MARSHALL: And as the Minister of Finance (Dr. Collins) says, 'There is nowhere else to build it.' I mean, if we had been able to get a proper energy policy

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Tape No. 2014

RA - 2

MR. MARSHALL: with in-feed from Labrador ages ago we would not have had to go to Cat Arm. But besides that, you know, that is the situation with which we were faced. We have addressed the problem. There has been an escalation and a large escalation and we do not presume to hide that. But the fact of the matter is that we are convinced, and we have made the necessary enquiries, that the money that is being spent is not being wasted and it is money that has to be spent

MR. MARSHALL: in order to meet the escalations and the high interest costs and the variants as a result of the road costs.

So, as I say, it is all very well for the hon. gentleman to get up and talk about incompetence and poor planning, but everything that this Province does, this government does is planned and planned very carefully. These were costs by and large, which were beyond our control. It is cost effective. We are going ahead with the project, of course, and in the meantime we are providing many badly needed jobs. I have already given the figures on the jobs, but they do bear repeating. In 1982 there will be 700 construction jobs, and in 1983, at the peak, 950, and in 1984, 850. And that is a pretty significant contribution to the economy of this Province over the next few years.

So, Mr. Speaker, having done something before this House for the second time which had not been done before in the hon. gentleman's administration - because in the hon. gentleman's administration they did not have to come to the House to justify borrowing bills, they could do this and you would hear about it many years after the fact, after the Auditor General had brought in his report, before the public was aware of it.

So having done that we have used the procedures that we have implemented to strengthen the relevancy of this House, and this is an example of it, and I move second reading of the bill.

On motion, a bill, "An Act To Amend The Newfoundland And Labrador Hydro Act", read a second time, ordered referred to a Committee of the Whole House, presently, by leave. (Bill No. 51).

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

COMMITTEE OF THE WHOLE

MR. CHAIRMAN(Aylward): Order, please!
MR. MARSHALL: Order 3, Bill No. 45,
Mr. Chairman.
MR. CHAIRMAN: Order 3, Bill No. 45.
A bill, "An Act To Provide
For The Appointment Of Parliamentary Secretaries To
Ministers Of The Crown". (Bill No. 45).

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

MR. MARSHALL: Order, 16, Bill No. 38.
A bill, "An Act To
Remove Anomalies And Errors In The Statute Law".
(Bill No. 38).

On motion, clause 1,
carried.

MR. CHAIRMAN (Aylward): Shall clause 2, carry?

MR. MARSHALL: On clause 2, Mr. Chairman,
I undertook to give an answer to a question from the
hon. the member for the Strait of Belle (Mr. Roberts)
when we were in Committee. The hon. the member is not
here now but I would like to leave it on the record so
that he would know it was answered.

Now, what this means is
that presently under the Financial Administration Act
the Comptroller of the Treasury is entitled to deduct
any monies that are owed by an employee from monies
owed by the government to that employee. With the
garnishment of public servants salaries, under the
Public Officials Garnishee Act, they would also have a
claim on salaries. This provision just provides that
the claim of the government would be a priority to the
claim against any garnishment.

On motion, clause 2,
carried.

On motion, clauses 3
through 15, carried.

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

MR. MARSHALL: Order, 46, bill No. 50.

MR. CHAIRMAN: Shall clause 1, carry?

MR. MARSHALL: I move that subsection 4,
section 11, of the Workers' Compensation Act as set
forth in clause 1 is amended by inserting after the words

MR. MARSHALL: 'serve notice in writing of the action', in the third and fourth lines, 'to the board'.

On motion, amendment carried.

On motion, clause 1 as amended, carried.

MR. CHAIRMAN (Aylward): Shall clause 2 carry?

MR. MARSHALL: Mr. Chairman, there is an amendment as well to clause 2.

MR. ROBERTS: Mr. Chairman, may I make a brief statement while the hon. gentleman is getting his act together?

MR. CHAIRMAN: The hon. the member for the Strait of Belle Isle.

MR. ROBERTS: I just want to say my colleague from Mount Scio (Mr. Barry) declared an interest this morning on this bill.

MR. ROBERTS: I was not here. I do want to declare an interest. It is comparable to that of my friend in the legal sense and my foe in the political sense, the gentleman for Mount Scio (Mr. Barry). The only reason for declaring it, Sir, is the Conflict of Interest Act requires that we declare it and that we neither speak nor vote and so I shall not. But the problem is quite a simple one; unless you declare it and go on record you cannot prove you were not here and you cannot prove you did not vote. So let it be noted that I have declared an interest in the matter in this bill.

MR. CHAIRMAN (AYLWARD): Clause 2.

MR. MARSHALL: I move that subsection (5) or section 11 of the Workers' Compensation Act as set forth in Clause 1 is amended by inserting after the words, "the worker or dependent shall", in the fifth line the words, "unless the board approves a lesser amount".

On motion amendment carried.

On motion clause as amended carried.

On motion, clauses (2) through (4) carried.

Motion, that the Committee report the bill with amendment, carried.

MR. MARSHALL: Order 47, Bill No. 51.

MR. CHAIRMAN: Order 47, Bill No. 51.

A bill, "An Act To Amend The Newfoundland And Labrador Hydro Act".

On motion clause (1) carried.

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

MR. MARSHALL: Order 48, Bill No. 53.

MR. CHAIRMAN: Order 48, Bill No. 53.

A bill, "An Act Respecting An Increase Of Certain Pensions".

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Tape No. 2017

IB-2

On motion, clauses (1) through (4)
carried.

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

July 2, 1982

Tape No. 2018

IB-1

MR. MARSHALL: Order 49, Bill No. 54.

MR. CHAIRMAN (AYLWARD): Order 49, Bill No. 54.

A bill, "An Act Respecting An Increase Of Certain Pensions For Transferred Employees".

On motion, clauses (1) through (5) carried.

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

MR. MARSHALL: Order 50, Bill No. 55.

MR. CHAIRMAN: Order 50, Bill No. 55.

A bill, "An Act To Amend The Gasoline Tax Act, 1978".

On motion, clauses (1) through (3) carried.

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

MR. MARSHALL: Motion 3, Bill No. 56.

MR. CHAIRMAN: Motion 3, Bill No. 56.

A bill, "An Act To Expropriate The Property Of Advocate Mines Limited".

On motion, clauses (1) through (9) carried.

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

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

MR. SPEAKER (Russell): The hon. the Chairman of Committees.

MR. CHAIRMAN (Aylward): Mr. Speaker, the Committee of the Whole have considered the matters to them referred and have directed me to report bills Nos. 38, 45, 51, 53, 54, 55, and 56 without amendment, and bill No. 50 with amendment, and ask leave to sit again.

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

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

A bill, "An Act To Provide For The appointment Of Parliamentary Secretaries To Ministers Of The Crown". (Bill No. 45).

A bill, "An Act To Remove Anomalies And Errors In The Statute Law". (Bill No. 38).

A bill, "An Act To Amend The Workers' Compensation Act". (Bill No. 50).

A bill, "An Act To Amend The Newfoundland and Labrador Hydro Act, 1975". Bill No. 51).

A bill, "An Act Respecting An Increase Of Certain Pensions". (Bill No. 53).

A bill, "An Act Respecting An Increase Of Certain Pensions For Transferred Employees". (Bill No. 54).

A bill, "An Act To Amend The Gasoline Tax Act, 1978". (Bill No. 55).

A bill, "An Act To Expropriate The Property Of Advocate Mines Limited". (Bill No. 56).

MR. MARSHALL: Mr. Speaker, His Honour the Lieutenant-Governor is not here yet, but I know he is on his way and he will be here. So I would ask if we could have a short adjournment until His Honour arrives.

SOME HON. MEMBERS: Hear, hear!
On motion, the House adjourned pending the arrival of His Honour.

MR. SPEAKER (Russell): Order, please!

SERGEANT-AT-ARMS: Mr. Speaker, His Honour the Lieutenant-Governor has arrived.

MR. SPEAKER: Admit His Honour the Lieutenant-Governor.

It is my agreeable duty on behalf of Her Majesty's dutiful and loyal subjects, Her Faithful Commons in Newfoundland, to present to Your Honour a Bill for the appropriation of Supply granted in the Present Session.

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-Three And For Other Purposes Relating To The Public Service".
(Bill No. 52).

HON. W. ANTHONY PADDON (Lieutenant-Governor): In Her Majesty's Name, I thank Her Loyal Subjects, I accept their benevolence, and I Assent to this Bill.

MR. SPEAKER(Russell): May it please Your Honour, the General Assembly of the Province has at its present Session passed certain Bills, to which, in the name and on behalf of the General Assembly, I respectfully request Your Honour's Assent.

A bill, "An Act To Amend The Income Tax Act". (Bill No.49).

A bill, "An Act To Amend The Tobacco Tax Act". (Bill No.48).

A bill, "An Act To Authorize The Raising Of Money By Way Of Loan By The Province". (Bill No. 47).

A bill, "An Act Respecting The Imposition Of A Capital Tax On Financial Corporations". (Bill No. 57).

A bill, "An Act To Provide For The Appointment Of Parliamentary Secretaries To Ministers Of The Crown". (Bill No.45).

A bill, "An Act To Amend The Newfoundland And Labrador Hydro Act, 1975". (Bill No. 51).

A bill, "An Act Respecting An Increase Of Certain Pensions". (Bill No. 53).

A bill, "An Act Respecting An Increase Of Certain Pensions For Transferred Employees". (Bill No. 54).

A bill, "An Act To Amend The Gasoline Tax Act, 1978". (Bill No. 55).

A bill, "An Act To Amend The Workers' Compensation Act". (Bill No. 50).

A bill, "An Act To Expropriate The Property Of Advocate Mines Limited". (Bill No. 56).

A bill, "An Act To Remove Anomalies And Errors In The Statute Law". (Bill No.38).

HON. W.ANTHONY PADDON (Lieutenant-Governor: In Her Majesty's Name, I Assent to these Bills.

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

MR. MARSHALL: Mr. Speaker, before moving the adjournment of the House until the next sitting of this particular session, I would like to, particularly, I know, on behalf of all members of the House, wish to express our appreciation to the members of the staff -

MR. ROBERTS: Hear, hear!

MR. MARSHALL: - for their fine co-operation withus throughout this sitting, and I hope they do have a pleasant Summer holiday.

I would also like to wish the Leaders of the Opposition all the best.

SOME HON. MEMBERS: Hear, hear!

MR. MARSHALL: And I would hope, Mr. Speaker, all members of the Opposition have an enjoyable Summer. I will not go so far as to say that I hope that their travels throughout the Province will lead to their recouping of their further losses that the last federal poll shows that they are sustaining in the Province, but otherwise, Mr. Speaker, I do wish them well and I hope they have a pleasant Summer.

SOME HON. MEMBERS: Hear, hear!

MR. MARSHALL: So, Mr. Speaker, with these words -

MR. NEARY: Mr. Speaker.

MR. MARSHALL: Oh, the hon. Leader wishes to -

SOME HON. MEMBERS: Hear, hear!

MR. MARSHALL: Is the hon. Leader going to

MR. MARSHALL: submit to me now when I adjourn the House, or does he want to say something first?

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

MR. NEARY: No, I just thought that I would second what the hon. gentleman said in connection with the staff, Mr. Speaker. Sometimes we have a tendency to overlook the people at the table and the pages and the policemen and the Sergeant-at-Arms and the Commissioners on the door, but, Mr. Speaker, I am becoming extremely impressed with the work of Hansard, not to belittle the work of the other staff. But I must say Hansard does a magnificent job, Mr. Speaker. And I found myself more often this session of the House asking for instant play-backs, instant transcripts from Hansard, and, I must say, Mr. Stamp and his staff are co-operative and doing an excellent job, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear! Good job!

MR. NEARY: And, I suppose, we have a tendency too to overlook a gentleman who looks down on us practically every second and every minute we are in this House, the gentleman up in the booth there, who is recording the sessions of the House.

SOME HON. MEMBERS: Hear, hear!

MR. NEARY: And, Mr. Speaker, last but not least, I would like to say a word of praise to the members of the press. I do not know if my hon. friend, because of the disputes with the parliamentary press gallery, the hon. gentleman left them out. I am sure that it was not deliberate on the part of the hon. gentleman. But they have worked hard, Mr. Speaker, and they deserve a break now too, and I hope before we reconvene that the Premier and the Minister of Fisheries

MR. NEARY: (Mr. Morgan) will patch up their differences with the Parliamentary Press Association.

It looks to me, Mr. Speaker, that while we are travelling throughout the Province this Summer, as the hon. gentleman said that we might, getting ready for our annual meeting in Gander, in October, that it is going to be a long, hot Summer for the Cabinet, from what we can hear.

Mr. Speaker, I do not know what date the hon. gentleman has in mind to reconvene the House, but I would not be at all surprised but before that date the House will have to be called back into emergency session.

SOME HON. MEMBERS: Hear, hear!

MR. MARSHALL: Well, Mr. Speaker, I move that this House, when this House adjourns today, stands adjourned until Thursday, November 4, 1982, at three o'clock in the afternoon provided always that if it appears to the satisfaction of Mr. Speaker or, in the case of his absence from the Province, the Chairman of Committees, after consultation with Her Majesty's Government that the House should meet at an earlier time than the adjournment, the Speaker or, in his absence, the Chairman of Committees may give notice that he is so satisfied and thereupon the House shall meet at the time stated by such notice and shall transact its business as if it had been duly adjourned to that time.

MR. SPEAKER (Russell): Before putting that motion, I would like to ask hon. members if they would remove anything of value from their desks for several reasons; a number of visitors go through here during the Summer

MR. SPEAKER (Russell): and, maybe more importantly, over the next couple of months there will be a new sound system installed in the Legislature and contractors and workers will be in here over the next two or three months. So I would suggest that anything of value, you should remove it from your desks within the next few days if at all possible.

On motion, the House at its rising adjourned until tomorrow, Thursday, November 4, 1982, at 3:00 p.m.

I N D E X

ANSWERS TO QUESTIONS

TABLED

JULY 2, 1982

QUESTION

Mr. Lush (Terra Nova): ' ' to ask the Honourable the Minister of Labour and Manpower to lay upon the Table of the House the following information:

- (a) How many Newfoundlanders are currently employed on offshore oil drilling rigs?
- (b) Give total number of Newfoundlanders hired by offshore oil rigs since January 1, 1978.

ANSWER

(a) May 1982 Statistics

SEISMIC VESSELS	110
SUPPLY VESSELS	140
DRILLING CONTRACTORS	178
SERVICE CONTRACTORS	331
OTHER (eg. OPERATORS)	70
TOTAL (NFLD. WATERS)	<u>829</u>

In addition there are 169 Newfoundlanders known to be now working permanently on rigs, supply vessels, and seismic vessels that have within the past two years worked off the East Coast, but are now in other parts of the world. Most of these vessels will be returning to work off Newfoundland.

- (b) Since January 1, 1978, it is estimated that 3500 different Newfoundlanders have had exposure working for the oil industry on the East Coast. The highest recorded number of Newfoundlanders working for the industry in Newfoundland has been 1202, during August 1981. We are expected to exceed that number this year, even with the loss of the Ocean Ranger.

The 3500 Newfoundlanders mentioned above have had experience working for the industry for periods of several days to 15 or more years. Consequently, approximately 35% of those registered with us have some prior oil industry experience.