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TRANSCRIPT

HOUSE OF ASSEMBLY
FOR THE PERIOD:
10:00 A.M. - 1:00 P.M.
FRIDAY, MARCH 25, 1983

The House met at 10:00 A.M.

Mr. Speaker in the Chair.

MR. SPEAKER (Russell): Order, please!

STATEMENTS BY MINISTERS

MR. STAGG: Mr. Speaker.

MR. SPEAKER: Order, please!

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

I believe Your Honour called Statements by Ministers.

MR. SPEAKER: I am aware of what this is about. The hon. member for Stephenville (Mr. Stagg) came to me earlier and asked the question if in his capacity of Parliamentary Secretary he could make a statement on behalf of the minister. We have been doing a little bit of research into it as our Standing Orders are silent on it. And I have just been advised that it has been ruled out of practice in Ottawa. So I am going to have to rule not to recognize the member for Stephenville in that capacity.

MR. NEARY: Mr. Speaker, a point of order.

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

MR. NEARY: Mr. Speaker, the hon. member for Stephenville brought me his statement earlier and like yourself I went to Beauséjour and to our own Standing Orders and they are silent on the matter. The hon. gentleman is not yet a minister. I know he is trying hard to get into the Cabinet but until he becomes a minister, Mr. Speaker, I do not think he is entitled to make Ministerial Statements. But the statement is purely a district statement.

MR. STAGG: It is about an international trade zone.

MR. NEARY: At some point during the morning - maybe not under this heading - we would certainly grant leave, I believe we would, for the hon. gentleman to make a statement, but certainly not under Ministerial Statements, Mr. Speaker, because we would be creating a precedent. And we would have to lay down some ground rules. I mean, maybe at some point in time we might have to change the rules to allow Parliamentary Assistants to make statements and if they did then we would want to have the right to question Parliamentary Assistants and so forth.

MR. MARSHALL: We do not need your lecture.

MR. NEARY: Well, the hon. gentleman gave us a lecture yesterday and their friend and comrade at CBC played that up. You know, their great supporter in the CBC played it up that he gave us a lecture, their pal and friend and supporter. So I do not see why I cannot give a lecture too, Mr. Speaker, if I want to.

And so, Mr. Speaker, if we can find a way to accommodate the hon. gentleman, we would not have any objections to it on this side of the House. We do not want to be small about this. It is strictly a district matter.

MR. NEARY: The hon. gentleman could have made the statement outside the House, he could have called a press conference in Stephenville or anywhere.

MR. SPEAKER (Russell): Order, please! The Chair is still wondering basically what is the point of order by the hon. Leader of the Opposition (Mr. Neary).

MR. NEARY: Well, the point of order is -

MR. MARSHALL: Mr. Speaker.

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

MR. MARSHALL: Mr. Speaker, it is not for the Leader of the Opposition to make a Ministerial Statement yet. It was many years ago, it will never be again.

SOME HON. MEMBERS: Hear, hear!

MR. MARSHALL: But I have a statement to make, Mr. Speaker, of a matter of great provincial importance that I make on behalf of my colleague, the Minister of Development (Mr. Windsor), who is unfortunately out of the Legislature this morning. And I am sure it will be of great interest to the member for Stephenville (Mr. Stagg) as well, of great interest.

I am pleased to announce today the establishment of an International Trade Zone at the Harmon Complex in Stephenville.

SOME HON. MEMBERS: Hear, hear!

MR. MARSHALL: This concept has been proven world-wide as the major attraction for businesses and will ultimately provide much-needed employment opportunities for this area of the Province. It comes directly as a result of strong initiatives on the part of the Harmon Corporation over the

MR. MARSHALL: past three years. Extensive research on the part of the Corporation toward developing a concept which can operate within the framework of Canada's existing customs laws, and the supportive roles played by both the Minister of Development (Mr. Windsor), for Newfoundland, responsible for Harmon Corporation; and the Minister of National Revenue (Mr. Bussieres) for Canada, responsible for customs, have all played a part in bringing this initiative to fruition. And note, Mr. Speaker, the joint credit that has been given to both the Minister of Development here, and the Minister of Revenue for Canada.

An International Trade Zone is an enclosed area into which foreign goods can enter free from normal customs formalities, and where domestic goods can be placed and be considered eligible for such purposes as tax refunds and drawback payments. Such a zone offers major advantages to both importers and exporters.

Importers can hold merchandise in excess of a host country's import quotas within the zone or can fabricate such merchandise into other products not subject to quotas. Customs duties can also be deferred while goods are held within an International Trade Zone. This allows a reduction in working capital requirements.

Companies in the business of re-exporting can bring foreign components into such a zone, manufacture them into finished products and re-export them without paying duty on the imported components. If such manufacturing activity takes place outside the zone, there is still an advantage to be gained. The finished goods can be placed within the International Trade Zone upon

MR. MARSHALL: upon completion and immediately be considered as exported for purposes of export drawbacks or reimbursement of duty paid. Canadian manufacturers can obtain drawbacks of 100 per cent.

Apart from having positive effects on the profitability of businesses established within them, international trade zones also offer broader economic and social benefits to the regions in which they are located. When firms are induced to

MR. MARSHALL:

establish in a particular region because of the presence of an international trade zone, they bring with them new employment opportunities, from the foundation of a broader tax base for the region and have a positive multiplier effect on the region's economy. Very often international trade zones have been established in economically depressed areas and have proven to be the stimulus which was necessary to revitalize commercial activity there.

To be a potential site for an international trade zone an area should: firstly, be strategically located on a major trade route; secondly, have abundant labour at competitive rates; and thirdly, have adequate storage and handling facilities. If these conditions are met, the presence of an international trade zone in an area could do much towards enticing a company to locate there instead of some other alternative location in the general region.

The Stephenville area has all these conditions at its advantage and the Harmon Corporation plans an aggressive campaign promoting its international trade zone status. A brochure for the area has been produced and follow-up promotional efforts will include seminars, personal visits, and trade shows, where development potential is indicated. The International Trade Zone at Stephenville will be a first in Newfoundland and in Canada as a whole. Government supports whole-heartedly this commendable effort on the part of the Harmon Corporation.

Mr. Speaker, I do not see how anyone can style this as being , it certainly is a district statement of great concern to the people of Stephenville, but is also one that everybody in the Province will welcome and whole-heartedly welcome because it gives a lot of impetus and it shows the initiative taken by the

MR. MARSHALL: government in this area.

SOME HON. MEMBERS: Hear, hear!

MR. MARSHALL: And particularly I want to commend the member for Stephenville (Mr. Stagg) for his efforts to this end -

SOME HON. MEMBERS: Hear, hear!

MR. MARSHALL: - and I would suggest to all of our good friends in the press, on both sides of the House, that when they hold interviews with respect to this, I have just given this as the agent of the member for Stephenville and I would invite them to ask questions of the member for Stephenville who has been the initiator and the driving force of this very positive provincial policy.

SOME HON. MEMBERS: Hear, hear!

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

MR. NEARY: I would further suggest, Mr. Speaker, that if the media are going to follow the lecture and the advice just given them by the hon. gentleman that they also interview Mr. Brian Tobin, MP who is the prime mover behind this project.

AN HON. MEMBER: That is right.

MR. NEARY: Now, Mr. Speaker, we welcome the international trade zone area to be established in Stephenville. We are rather surprised, pleasantly surprised to hear in the statement and to hear the President of the Council (Mr. Marshall), the Government House Leader, give joint credit for this project. That is a new, Mr. Speaker, in this hon. House,

MR. NEARY: because usually they give the federal government and the federal MPs credit for nothing. As hon. members know, this project could not have been accomplished without the co-operation of the Government of Canada and unless it was pushed by Mr. Brian Tobin, MP, who apparently is looking after his riding very well, doing a magnificent job - I would say that Mr. Tobin played a major role in seeing to it that Stephenville became an international trade zone.

MR. TULK: He worked very closely with the member for Port au Port.

MR. NEARY: Yes, he worked very closely with my colleague, the member for Port au Port (Mr. Hodder) on this project, Mr. Speaker.

MR. ROBERTS: On whole behalf you are speaking.

MR. NEARY: And I am the agent for the member for Port au Port, Mr. Speaker, in this case.

So we welcome it and we are glad that the administration gave a bit of credit to Ottawa.

What about Gander and Goose Bay now, Mr. Speaker? Because reading the Ministerial Statement here, it seems to me that Gander and Goose Bay meet all the criteria, meet all the qualifications. They are strategically located on a major trade route. They have abundant labour at competitive rates. They have adequate storage and handling facilities. They meet all the terms and conditions and the criteria that brought about this development, this project for Stephenville.

Now, what is the administration going to do to try to establish similar international trade zones in Gander and Goose Bay? Are we just going to let it go at Stephenville?

MR. ANDREWS: You just said it was a federal initiative.

MR. NEARY: Mr. Speaker, I commend the Harmon Corporation for taking the initiative, but it could not have been accomplished -

MR. ANDREWS: Unless the feds had input.

MR. NEARY: That is right, or without Mr. Tobin's help and that of my colleague, the member for Port au Port (Mr. Hodder).

So I would hope, Mr. Speaker, that we are not just going to let the matter die here, that there will now be initiatives taken locally and by the administration to see to it that the same consideration will be given to Gander and Goose Bay.

MR. W. HOUSE: Mr. Speaker.

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

MR. HOUSE: Mr. Speaker, first I want to apologize to the Opposition because I was not able to distribute this earlier; it was hurriedly put together.

Mr. Speaker, I feel I must respond to certain statements that have been made recently from the Newfoundland Medical Association concerning expected reduction in hospital care as a result of the March 17 Budget. There are a number of points I would like to make to correct some misunderstandings in the public's mind with respect to the statement and what we are doing in our 1983 - 84 Budget.

In this fiscal year, the coming fiscal year, government will be providing the \$306 million to meet the operational costs of the board operated hospitals. Incidentally there is another \$20 million or \$20-odd million going into other hospitals besides that. This is an increase of 12 per cent above last year's budgeted figures. That is about \$34 million over and they are talking about a \$34 million decrease. That is a plus \$34 million, Mr. Speaker, going from \$272 million to \$306 million. Now, the Medical Association's representative last night, Dr. Guy, left the impression that the level of funding will mean the hospitals will have to reduce their expenses by 15 to 20 per cent. This is simply not so; the shortfall in funding is, at most, 7 to 8 per cent of what hospitals initially requested from government. Since all hospitals will not receive their budgets until next week, the adjustments that will have to be made to meet these restraints will not be known until then. Incidentally if anybody saw the Corner Brook announcement last night where they have their budget completed, it shows that there is not going to be any massive cuts. They are going to be able to handle the situation very well and all other

MR. W. HOUSE: hospitals will be treated the same way as Corner Brook.

I have established a Monitoring Committee to monitor closely the impact of the budget on services. I have invited the NMA and the Newfoundland Hospital Association to participate. The Monitoring Committee will receive submissions from hospitals regarding specific measures that have to be taken to meet budget restraints and assess objectively the impact of these measures on the hospitals. The Committee will be providing advice to the department and to myself.

Now, with respect to the comments of the Medical Association regarding specialist physicians, I would want to make the following comments: We have now in this Province more specialists than any other time in our history, more and better specialists. These specialists

MR. HOUSE: are very highly trained and are considered to be top in their field in Canada and in North America. The department is funding bursaries for young Newfoundlanders to train in medical specialities which are in short supply in this Province. To date we have funded twenty such Newfoundlanders - some of them are backed, some of them are in training and they have committed themselves to work in this Province. Specialists come to this Province they have been coming for years and leaving for many reasons - some of them financial some personal and some because they are unable to do the kind of work they want to do in this Province. I might point out, Mr. Speaker, that we have had people who went away last year. They did not go because they were not getting enough money, they went for other reasons. And I might point out with Ontario this year giving a 7.8 per cent increase in their hospitals' budget I do not know where the specialists are going to find room to work in these systems if they cannot work in a system where we are giving a 12 per cent increase.

The monitoring committee which is being established will be asked to monitor the situation with respect to specialists very closely and report to me if there is clear evidence that they are leaving the Province.

Finally, Mr. Speaker, it should not be forgotten that this year, and I mentioned the amount we are spending on hospitals, this year, government is spending in excess of \$400 million for hospital and medical services in the Province. So in no way is the health care of the population a second class priority with us and in no way will the health care

MR. HOUSE: of the population be seriously jeopardized.

SOME HON. MEMBERS: Hear, hear.

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

MR. ROBERTS: Mr. Speaker, let me first of all very sincerely -

MR. ANDREWS: Four hundred what?

MR. ROBERTS: I would say to my friend from Burgeo - Bay d'Espoir (Mr. Andrews) with his loud sotto voce comments that 400 million has eight zeros after it and a four in front of it and he can get that on this five fingers on one hand and four on the other. If he has trouble writing it down I will write it down for him.

Let me say, Mr. speaker, I want to thank the minister -

MR. HOUSE: \$400 million.

MR. ROBERTS: Yes, that is 4-0-0-0-0-0-0-0-0-0. That takes five fingers on one hand and four on the other in case the Minister of Health (Mr. House) has trouble with it.

MR. ROBERTS: Now, let me carry on, Mr. Speaker, and say that I want to thank the minister - I have been trying for two minutes now to thank the minister for something and all I get is catcalls from the Yoo-haws and Hooyaws on the other side. I want to thank the minister because he did have the courtesy to give us a copy of this statement as soon as it came to hand for him and I do appreciate that and I want to acknowledge it publicly in the House.

Let me say as well that we on this side welcome the establishment of the monitoring committee or any mechanisms that will allow all of those with knowledge and concern as to this Province's health care system to have involvement and input into the decisions. Of course, it is a little like locking the barn door after the horse has been stolen to establish a committee now because, of course, the Minister of Finance (Dr. Collins) has lowered his axe and has lopped off - we do not know what he has lopped off, We will find out over the next few months in a series of announcements, I fear.

Having said that, let me go on now to say that I regret that the minister in his Ministerial Statement has not done anything to make clear the situation with regard to Botwood, Buchans and Placentia, the trio of hospitals that are now coming on the top of the hit list. Perhaps the member for Exploits (Dr. Twomey) will speak on that somewhat. I know he is intimately concerned and deeply concerned, as are a great number of other people throughout the Province and I would expect my friend from Windsor - Buchans (Mr. McLennon) to be heard from at some point publicly

MR. ROBERTS: on this issue as well.

Now, let me go on, Mr. Speaker, and say that I am not allowed to debate the Ministerial Statement in responding to it, so I will not, but I hope the minister will be here for the Interim Supply debate this morning. It might be his turn in the barrel today, and we will have an opportunity to discuss some of the issues which are emerging from the government's approach to health care services. And I hope he will be here because, of course, we want him to be able to respond and we will listen to what he has to say, just as I know he will listen to what we have to say on this. I appreciate the civilized way in which the minister carries on this dialogue. I only wish it were infectious and that some of his colleagues could be infected with the virus.

Now, Mr. Speaker, let me conclude by saying that - and I will deal with the numbers when we come to the debate, when I have a little more time and the rules permit me to debate. Let me conclude by saying this, because this is the basic fact on which health care discussions are proceeding in this Province today and must proceed:

MR. ROBERTS: The government have provided more money, granted, but they have not provided the hospitals in this Province with enough money to enable them to continue to carry on operations at the level of service that the hospitals had attained, say, on 1 January 1983, or 30 March 1983. There are going to be cutbacks.

It is not the minister's written statement, but he spoke of Dr. Watts' appearance on the television last night, I heard Dr. Watts and I listened with great interest to what he had to say. Dr. Watts made it quite clear that there are going to be reductions in the services offered by Western Memorial. He then went on to add that there is going to be no reduction in the quality of care, and that is exactly what I would expect from Dr. Watts because he is a fine administrator and a fine physician, but the fact remains that the volume of services is going to be cut back substantially at Western Memorial as at every other hospital throughout this Province. The services that will be offered will continue to be of the highest quality, and so they should be. The problem is that many people, Mr. Speaker, who have been getting care because they need it, are not going to be able to get as much care even though if they get it - the Minister of Education (Ms. Verge) shakes her head, she has got her own problems. Her record speaks for itself. I will deal with her when several hundred of her fellow Newfoundlanders come out and say what they think of her. But I am talking now about something important, not the Minister of Education. I am talking about the health care problems.

The fact remains that while the quality may not be reduced, and I do not think it would be, the doctors of this Province will not be party -

MR. SPEAKER (Russell): Order, please! Order, please!
The time for responding to
that statement has expired.

MR. ROBERTS: I will carry on. We have
Interim Supply all day and all week.

ORAL QUESTIONS:

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

MR. NEARY: Mr. Speaker, I would like to
direct a question to the Minister of Education (Ms. Verge),
I think she is also in the barrel today.
When answering questions from the Opposition, and from
the students over at Memorial and the College of Trades and
Technology and the vocational schools, the minister keeps
repeating like a broken record that the changes in the student
aid programme will not affect the needy. I wonder if the
minister could give us her definition of needy.

MR. SPEAKER: The hon. Minister of Education.

MS. VERGE: Mr! Speaker, I am grateful for
the opportunity of repeating what I had said yesterday and
previously about the planned changes in the Newfoundland and
Labrador Student aid plan. The crucial point is that the
changes will not diminish the amount of money available to
students for post-secondary education. The same amount of
money will be available. And, Mr. Speaker, for students
having the most need, students whose parents are unable to
make a contribution to the cost of their higher education,
or where parents are unable to make much of a contribution,
students who themselves cannot contribute anything or much
to the cost of their higher education because they have been
unable to get a job in the Summer or in the period prior to
their studies, students in that most needy category

MS. L. VERGE:

will not be affected by the changes. Formerly, students in that category had to borrow \$575 a semester to qualify for free provincial money, for a provincial grant or a provincial allowance of \$1,000 a semester, and then could go on to borrow another \$325 making a total of \$1,900 aid a semester. Those are figures for single students. And, Mr. Speaker, of all the students in this Province who have been receiving student aid, one-third are in that most needy category, one-third have been borrowing the maximum and receiving the maximum in free provincial grants, provincial allowances, money that does not have to be repaid. After the changes, students in that category, approximately one-third of our students receiving aid, will not be affected. They will have to borrow the full \$900 off the top before going on to qualify for the provincial grant of \$1,000 a semester, making the same total of \$1,900 and the same provincial grant of \$1,000. I repeat, Mr. Speaker, the most needy students, students whose families cannot afford to make any contribution or much of a contribution to the cost of their higher education, students who themselves have not been able to get a job and who cannot contribute to that cost, those students will not be affected by the change. Those students will continue to be able to get up to a full \$1,000 a semester if they are single, \$1,250 a semester if they are married, to assist with the cost of their higher education.

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

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

MR. NEARY: As my hon. colleague just said, Mr. Speaker, it is like listening to a voice from the grave.

The hon. the minister was rather vague and general in the answer. I wonder if the hon.

MR. S. NEARY: minister could spell out in a little more detail the phrase that she just used, 'most need'? What is the criteria? Is it income? Is it the number of people in the family? What is the formula? What formula does the minister use to establish need? Do you have to get a letter from the Minister of Social Services (Mr. Hickey)? What is the criteria that is used to establish need?

MS. L. VERGE: Mr. Speaker.

MR. SPEAKER (Russell): The hon. Minister of Education.

MS. VERGE: Mr. Speaker, the criteria, which, incidentally, even after the changes will be better than those in some of our fellow provinces, provinces which are richer than ours, basically point to the students' financial circumstances, if a student is a dependent of his or her parents, the parents' financial circumstances. There are guidelines, regulations which indicate how that financial position is to be reported. And, as I say, one-third of our students receiving aid get the maximum, borrow the maximum from the Canada Student Loan plan, then receive the maximum in provincial government grants or allowances or bursaries, free money.

MR. NEARY: Who determines this need?

MS. VERGE: Need is determined, Mr. Speaker, objectively according to regulations that are set down and that are administered by the Department of Education through our Student Aid Division, which is located at the Thompson Student Centre at Memorial University.

MR. SPEAKER: The hon. member for Eagle River.

MR. HISCOCK: I have a question to the Deputy Premier. In view of the high unemployment among our young people in our Province today, what plans or programmes is this administration implementing over and above the present programmes to ensure employment among our youth?

MR. NEARY: Mr. Speaker, is the hon. gentleman weak? Is there something wrong with him? Is he ill? He seems to be in a trance? Is he thinking about Mobil? Has he got Mobil Oil on his brain or what?

MR. SPEAKER (Russell):

Order, please!

The hon. President of the Council.

MR. MARSHALL:

I am just suffering from the normal, human, understandable lethargy that anyone who sits in this Assembly and listens to the questions posed by the Opposition daily would suffer from. I have to confess that I was not, Mr. Speaker, listening with great attention to the hon. member, and if the hon. member would like to repeat his question I will certainly address it.

MR. SPEAKER:

The hon. member for Eagle River.

MR. HISCOCK:

Mr. Speaker, I will repeat the question for the Deputy Premier because it is a serious matter, Over 60 per cent of our young people are unemployed. In view of the high unemployment among the young people in our Province, what plan or plans is this administration implementing over and above the present programmes to ensure employment among our youth?

MR. SPEAKER:

The hon. President of the Council.

MR. MARSHALL:

First of all, there is no such thing in this administration as a Deputy Premier. That is probably why I did not hear the hon. gentleman if that was the title he used first.

SOME HON. MEMBERS:

Hear, hear!

MR. MARSHALL:

But anyway, Mr. Speaker, as to what plans, the hon. gentleman opens up a very good subject. Because I hear in this House the hon. gentleman and his colleagues talk to the Minister of Health (Mr. House) and the Minister of Education (Ms. Verge) with respect to budgetary requirements, and it is all tied together, Mr.

MR. MARSHALL:

Speaker, as far as questions with respect to the budget and the question that the hon. gentleman asked.

We get our revenues from two sources, Mr. Speaker. We get them either from taxation of the people of this Province or we get them from our resources. We already know that our people have been taxed to the limit and beyond the limit and if anything they should come down rather than go up.

With respect to coping with the budget, the only alternative we have short of getting income from our resources is to cut our expenditures. Now to get income from our resources is very much related to the hon. gentleman's question, because in getting income from our resources we would be developing our resources and we would enable our young people in this Province to be able to look forward to a much brighter future within their own native Province than presently is held out to them under the present system with which we are wrestling with total federal control of our offshore resources with the Province of Quebec creaming \$600 million or \$700 million a year from the Western boundaries of the Province, with the threat to the control of our fisheries and the attempt to transfer fishery jurisdiction from Newfoundland to Ottawa, and the benefit of the North Atlantic fishery particularly into Nova Scotia. So I can say to the hon. gentleman that we have plans and they are all interrelated into the whole spectrum of our government programmes in our budgets and what have you. And I would invite the hon. gentleman, if he wishes to see the younger people of this Province look forward to a better future with respect to jobs, that the first step that the hon. gentleman there opposite could do would be to support this government in its forward policies with respect to resource development.

MR. HISCOCK:

Mr. Speaker.

MR. SPEAKER (Russell):

The hon. member for Eagle River.

MR. HISCOCK:

Mr. Speaker, in view of the statement that was given by the acting Premier that it is all tied up with the programmes outlined in the budget, I would like to ask the acting Premier what programmes is this administration going to be implementing for Summer employment among our youth to make sure that if they go back to university they do not have to borrow the \$900? What programmes are they implementing this Summer to have Summer employment for students throughout the Province?

MR. SPEAKER:

The hon. President of the Council.

MR. MARSHALL:

Mr. Speaker, I can only repeat again we do not look in the short term. We are doing everything we possibly can with respect to short term programmes, with respect to Summer employment for our younger people, but we tend to have a perspective that extends a little bit further into the future than the hon. member does. And what we are mainly concerned with in this Province is to be able to have a regime in this Province where we can have adequate resource development, where our young people in this Province can look forward to jobs from their resources rather than an eternity of equalization and welfare payments to which they will be inextricably committed if the present policies of the federal government are allowed to pertain to this Province and the hon. gentlemen there opposite get their way in their support of these policies.

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

MR. HISCOCK: A supplementary question, Mr. Speaker. With regard to the economy and the potential of Hibernia, we find out now that there are very few Newfoundland companies around as a result of the stalemate, and the majority of them have gone bankrupt. Now we are saying with regard to the student population we are going to make sure that they are not given the opportunity to get trained for this in view of the fact that we need short-term employment, so they can go back to school. Am I to understand that there is not going to be any Young Canada Works by way of this provincial government, or anything over and above the normal hiring practice from each of the provinces, that we are not going to have any special programmes geared towards the class of '83, etc.?

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

MR. MARSHALL: The hon. gentleman, you know, in the guise of asking questions can make statements all he wants. I have answered the hon. gentleman's question. The answer is it is not for this government to give out Canada Works as such, it is the federal government that creates the Canada Works programmes and what have you. This government, I can tell the hon. member, is wrestling daily having to nickle and dime foster children's clothing, having to do its best with respect to health and educational services, and there is nobody in this Province who wishes it could do more for these services than this government. But the only way that this government is every going to be able to do this is if we can get the revenues from our resources. We cannot get any more from the people, that is what I try to tell the

MR. MARSHALL: hon. gentleman. And if the hon. gentleman would just be one half a Newfoundlander, what he would do is support this government and not his cronies in the Federal Liberal Government up in Ottawa, and then the hon. gentleman would see employment and a promising future for the young people of this Province such as is beyond his limited comprehension.

MR. SPEAKER (Russell): The hon. member for Terra Nova.

MR. LUSH: Mr. Speaker, I want once again to come back to the Minister of Education (Ms. Verge), I want to come back to the minister's twisted and convoluted logic re the student aid programme. And I realize the minister is trying to defend the indefensible, and even with her legal training that becomes very, very difficult.

Now, Mr. Speaker, the minister has said that the changes in the student aid programme, the increase in the loan ceiling, will not affect the needy. Let us make the question a little bigger; will it affect any student? Will it affect anybody?

MR. SPEAKER: The hon. Minister of Education.

MS. VERGE: Mr. Speaker, I am glad to have yet another opportunity to go over the same ground and explain the changes in our province's student aid plan that were announced in the Budget Speech. The explanation has been given I suppose ten times this morning and yesterday, and I see that some students have just entered the galleries and it is good for me to have the opportunity to say it for the eleventh time for the benefit of the members opposite, but also

MS. L. VERGE: to say it for the benefit of the students in the gallery. Incidentally, I will be very glad to meet with representatives of the student bodies of the colleges and the university. Monday evening I met with representatives of the executive of the Council of the Students Union of Memorial University. I chatted with those student representatives for about an hour and told them that I am available to the CSU executive.

MR. ANDREWS: I do not believe in mob rule.

MR. TULK: What did you say, mob rule?

MR. NEARY: That is what it is, is it, mob rule?

MR. SPEAKER (Russell): Order, please! Order, please!

MR. W. MARSHALL: A point of order, Mr. Speaker.

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

MR. MARSHALL: The hon. the member for Terra Nova asked a question of the Minister of Education (Ms. Verge). I assume he is interested in the answer, but the hon. members for Fogo (Mr. Tulk) and the hon. the Leader of the Opposition (Mr. Neary) are interjecting, Mr. Speaker.

MR. S. NEARY: To that point of order, Mr. Speaker.

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

MR. NEARY: Mr. Speaker, I think it is shameful and beneath contempt that the Minister of Education should cast such aspersions on the students as to refer to their peaceful demonstration as mob rule. That is shameful and the minister should apologize.

MS. VERGE: Mr. Speaker.

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

MS. VERGE: Mr. Speaker, I have never at any time used the expression, 'mob rule'.

MR. NEARY: No, it was your colleague behind you there.

MS. VERGE: The Leader of the Opposition was quite out of order in attributing those remarks to me. That

MS. L. VERGE: was quite a false and inaccurate statement which should be withdrawn, Mr. Speaker, and I would ask for the protection of the Chair.

MR. SPEAKER (Russell): Order, please!

The Chair had recognized the hon. the Minister of Education (Ms. Verge) in responding to a question to the hon. the member for Terra Nova and I certainly was not aware of any comment that she made to the effect of any demonstration by students was 'mob rule'.

MR. S. NEARY: No. It was the minister behind here there, Mr. Speaker.

MS. VERGE: Mr. Speaker, what I was talking about when I was so rudely interrupted was a very positive and constructive meeting I had with representatives of the executive of the CSU of Memorial University on Monday evening I met with those students, Mr. Speaker, for about an hour and I assured them that I and possibly other members of government will be available to them for follow-up discussions. I explained that government has to stick to the bottom line estimate of spending on student aid next year which will still allow a student aid plan on a par with the majority of provinces of Canada and a

MS VERGE: little more generous than those in some of our other provinces. I told them that I would be quite willing to listen to their recommendations about the proposed changes in the eligibility criteria, and that if they are able to point out to me that modifications should be made in the interest of the whole student body at the university, and the students indeed at the other institutions in the Province, that government will be quite willing to consider their recommendations and to look at making modifications in the projected changes to the eligibility criteria.

Now, Mr. Speaker, to answer the specific question of the member for Terra Nova (Mr. Lush), the total effect of the proposed changes in our student aid plan, both the increase in the borrowing requirements for eligibility for provincial grant money, the change in the loan/grant split, and also the proposed changes in the eligibility criteria will not in any way, shape or form diminish the number of dollars available to students. And in the case of the approximately one-third of our Province's students now receiving student aid, who receive the maximum, who draw the maximum loans from the Canada Student Loan plan and who receive the maximum provincial government grant, there will be no change.

To illustrate that, a single student studying for one semester who qualifies for the maximum aid, a student in that situation who demonstrates the most need because of his or her own personal circumstances, and if that student is dependent on his or her parents, the family's circumstances, that student may now borrow \$575 from the Canada Student Loan grant, then receive a \$1,000 provincial government grant, a thousand dollars that does not have to be repaid, and then go on,

MS VERGE: as a third step, to borrow another \$325 from the Canada Student Loan grant for a total aid of \$1,900, of which \$900 is a loan that has to be repaid and \$1,000 is a grant that does not have to be repaid.

After the change, that same student will have to borrow the full \$900 off the top and then go on to qualify for and receive the same \$1,000 -

MR. NEARY: You are brutalizing the students.

MS VERGE: - grant from the provincial government for the same total of \$1,900 in aid; no change for the most needy students. And I repeat that about one-third of our Province's students getting aid are in that category.

MR. NEARY: Okay, wind down now, cupie doll.

MS VERGE: Now, Mr. Speaker, for students with less need than that, they will continue to receive the same number of dollars except that they will have to borrow more from the Canada Student Loan programme and they will receive less in the way of provincial government grants of free money.

MR. NEARY: Will you go out front and say that?

MS VERGE: Mr. Speaker, until now Newfoundland and Labrador has had by far the best plan in the country in that the aid received by our students has had the lowest percentage of loan form and the highest percentage of grant form.

MR. NEARY: The highest taxes and the highest unemployment.

MS VERGE: And furthermore,

MS. VERGE: the average grant paid to our students has been way higher than the average grant received by students in any other province.

MR. NEARY: We have the highest taxes and the highest unemployment in Canada.

MS. VERGE: And these are according to statistics gathered by the Federal/Provincial Implementation Task Force on Student Aid the year before last. And those statistics show that in that year the average grant for Newfoundland -

MR. NEARY: Mr. Speaker, on a point of order.

MR. SPEAKER (Russell): Order, please!
The hon. Leader of the Opposition on a point of order.

MR. NEARY: Mr. Speaker, Cupie Doll should have unwound a long time ago.

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: She is merely repeating herself. It is awfully tedious, Mr. Speaker, the repetition. And the rules of this House say that answers have to be brief. Could you direct the minister to give brief answers, Mr. Speaker?

MR. SPEAKER: Order, please!
It is true that questions and answers should be brief. It is also true that when one hon. member is referring to another hon. member that he or she should be referred to by their official capacity.

The hon. Minister of Education.
MS. VERGE: Thank you, Mr. Speaker.
I acknowledge that my answers have been repetitious, but I have been getting the same questions over and over again.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER (Russell):

Order, please!

Before I recognize the hon.

member for Terra Nova (Mr. Lush), I would like just to welcome to the galleries specifically ten students from St. Augustine's School at Plum Point, with their teacher, Mr. Cal Chambers.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

The hon. member for Terra Nova.

MR. LUSH:

Mr. Speaker, I understand what the minister is saying, that the amount of the provincial grant has not changed. But would the minister not agree that by raising the loan ceiling, putting it at the front, as she says, raising that to \$900, that we are forcing the most needy into a financial position that is going to cause hardship, that we are forcing these people right from the beginning to borrow \$900? Previously they could borrow \$575. It might not be necessary, through certain prudent and wise spending and this sort of thing, to go after the other money. But now we are forcing them right from the beginning to borrow the \$900.

MR. MARSHALL:

Mr. Speaker, on a point of order.

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER

Order, please!

The hon. President of

the Council on a point of order.

MR. MARSHALL:

Mr. Speaker, one of the rules of order in asking question and in debate in this House is that one may not be unnecessarily repetitious. The hon. gentleman is repetitious in this Question Period, yesterday's Question Period, the Question Period before. He is asking the same question over and over again.

MR. MARSHALL: The hon. Minister of Education (Ms. Verge) gets up and answers it and the Leader of the Opposition (Mr. Neary) then gets up and says the Minister of Education is repetitious.

MR. SPEAKER (Russell): The time for the Question Period is going by fairly fast and I would refer hon. members to Beauchesne, page 132, Section 359 (8) which says, "A question that has previously been answered ought not to be asked again".

SOME HON. MEMBERS: Hear, hear.

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

MR. LUSH: This is entirely a new question, Mr. Speaker. And if I could get back to my preamble, where I was pointing out that we are now forcing students to borrow \$900 and the people who are going to have to borrow that are the most needy, are we not forcing the most needy, Mr. Speaker, the people who can least afford it, whose families cannot afford it, are we not forcing these people into a financial hardship before they begin, forever, Mr. Speaker, disallowing these people to be able to make a success in society, loading them with this financial burden right from the beginning?

MR. SPEAKER: The hon. Minister of Education.

MS. VERGE: Mr. Speaker, I have to repeat the most needy students are already borrowing \$900 a semester and getting a \$1,000 provincial government grant a semester, and about a third of our Province's students receiving aid are in that category. The most needy students are not affected at all by any of the changes that are being made in our student aid plan.

SOME HON. MEMBERS: Hear, hear.

MR. LUSH: Supplementary, Mr. Speaker.

MR. SPEAKER: Supplementary, the hon. member for Terra Nova.

MR. LUSH:

Mr. Speaker, in trying to justify and rationalize the government's position in this matter, the minister pointed out that our student aid programme is more generous than that in other parts of Canada, so, of course, the move was made by the government to bring it more in line with student aid in other parts of Canada. Now having said that, Mr. Speaker, I am wondering now if this is going to be a policy of the government, to bring the area of taxation for services, and this sort of thing, to our people in line with that in other parts of Canada. Because the Minister of Finance (Dr. Collins), in giving the budget, mentioned, of course, that we were being taxed less than other Canadians for municipal taxes and that we are paying less in the area of municipal taxation and in a couple of other areas. Now is this the policy of the government, to bring our taxation levels in other service areas, for example, in municipalities up to the Canadian average?

MR. T. LUSH: Is this what we are going to be doing? And the minister should know this because the Minister of Finance (Dr. Collins) said that everybody in Cabinet knew every detail of this Budget, every policy, they knew everything.

MR. TOBIN: Sit down boy.

MR. SPEAKER (Russell): Order, please!

The hon. the member for Terra Nova is proceeding to make a speech.

MR. LUSH: It is a question, Mr. Speaker.

MS. L. VERGE: Mr. Speaker.

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

MS. VERGE: Mr. Speaker, I do not think that speech or question was directed at anyone in particular, but I will rise to the occasion.

Mr. Speaker, as I was saying earlier, the extent of a superiority of our Province's Student Aid Plan in Canada until now perhaps has not been fully grasped by the member opposite, and I would just like to repeat some statistics. Our Province provided the highest per student grant of any of the provinces participating in the Canada Student Loan Programme. In fact, our Province's average grant was \$1,544 when Saskatchewan's average grant was only \$881, Mr. Speaker.

Now, Mr. Speaker, how do the members opposite expect us to continue to provide such a superior Student Aid Plan at a time when the federal government is cutting back its transfer payments and its Established Programmes Financing to this Province, payments targeted for higher education, and the federal government is limiting its increase in EPF for higher education and health this year to 6 per cent. And this is at a time, Mr. Speaker, when patently it is costing our Province more than

MS. L. VERGE: a 6 per cent increase to maintain the status quo in our post-secondary institutions. It is at a time, Mr. Speaker, when the serious economic problems that were experienced by the Province all along have been worsened, at a time when the federal government is denying this Province and our people our rightful access to our own resources. Where do the members opposite think that we are going to get the money to continue to have number one social programmes when we are economically the number ten province in the Confederation?

MR. T. LUSH: Mr. Speaker.

MR. SPEAKER (Russell): The hon. the member for Terra Nova.

MR. LUSH: Mr. Speaker, with that kind of reasoning I can understand now why the minister is not going to meet the students. Mr. Speaker, the minister did not get to the essence of my question at all, so I will make it more specific and more in line with her department. In view of the fact that the main reason given by the minister for changes in the Student Aid Programme was to put it more in line with that in other jurisdictions in Canada, and in view of the fact that the Minister of Finance (Dr. Collins), when presenting the Budget, said that the Newfoundland school tax effort amounts to only 14 per cent of the Canadian average, now is the minister going to encourage the school tax authorities to bring the school tax more in line with that in other Canadian jurisdictions?

MS. VERGE: Mr. Speaker.

MR. SPEAKER (Russell): The hon. Minister of Education.

MS. VERGE: Mr. Speaker, I have always maintained that the main reason we are making changes in our student aid plan is that we cannot afford to continue having a rich plan when we are a poor Province getting poorer. That is the main reason. And when we do start trimming our spending to be financially responsible and minimize our deficit on current account, what are we going to pick? The logical programmes to be changed, to be reduced, are those which are now superior to programmes in other provinces of Canada, and that is the only reason why we have chosen the student aid plan. It is not something we like to do, Mr. Speaker, but we have no realistic alternative.

MR. SPEAKER: This will be the final question for the Question Period, The hon. Leader of the Opposition.

MR. NEARY: Mr. Speaker, how can the Minister of Education say that they are bringing Newfoundland in line with the other provinces of Canada with these changes, when you consider the fact that we have the highest unemployment -

MR. MARSHALL: On a point of order, Mr. Speaker.

MR. SPEAKER: Order, please! Order, please!
The hon. President of the Council on a point of order.

MR. MARSHALL: Mr. Speaker, this is Question Period; the hon. gentleman is making a speech, he is commenting on the quality of the Minister of Education's answers. Yesterday they had a whole half hour to comment on the quality of answers in the Late Show and they did not even have the energy to put one topic up for discussion.

MR. MARSHALL: Now this is the Question Period when it is the time for asking questions, Mr. Speaker, it is not the time for the hon. gentleman to be making speeches.

SOME HON. MEMBERS: Hear, hear!

MR. NEARY: Is that not wonderful, Mr. Speaker? He just used up the rest of the time, Mr. Speaker. That was the purpose of that exercise.

MR. SPEAKER (Russell): Again I will remind hon. members that questions should be brief and answers should be brief. Indeed, the time for the Question Period has now expired.

NOTICES OF MOTION:

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

MR. YOUNG: Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce a bill entitled, "An Act To Amend The Department Of Public Works And Services Act, 1973."

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MR. HICKEY: Mr. Speaker, may I give an answer to a question?

MR. SPEAKER: The hon. Minister of Social Services.

MR. HICKEY: A question asked by the hon. member for Torngat Mountains (Mr. Warren) last session, Mr. Speaker, with regard

MR. HICKEY: to renovations of ministers' offices. In the case of my own office, I have had my staff check and there have been no renovations since 1968, I believe.

ORDERS OF THE DAY

MR. MARSHALL: Motion 3.

Motion, the hon. the Minister of Culture, Recreation and Youth to introduce a bill, "An Act Respecting The Provincial Archives And The Management Of Public Records," carried. (Bill No. 31).

On motion, Bill No. 31 read a first time, ordered read a second time on tomorrow.

MR. MARSHALL: Motion 4.

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

On motion, Bill No. 2 read a first time, ordered read a second time on tomorrow.

MR. MARSHALL: Motion 5.

Motion, the hon. the Minister of Municipal Affairs to introduce a bill, "An Act To Amend The City Of Corner Brook Act," (Bill No. 29).

On motion, Bill No. 29 read a first time, ordered read a second time on tomorrow.

MR. MARSHALL: Motion 6.

Motion, the hon. the Minister of Municipal Affairs to introduce a bill, "An Act To Amend The St. John's Assessment Act," (Bill No. 18).

On motion, Bill No. 18 read a first time, ordered read a second time on tomorrow.

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MR. MARSHALL:

Motion 7.

Motion, the hon. the Minister of Justice to introduce a bill, "An Act To Amend The Election Act," (Bill No. 33).

On motion, Bill No. 33 read a first time, ordered read a second time on tomorrow.

MR. MARSHALL:

Order 2.

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

COMMITTEE OF SUPPLY

MR. CHAIRMAN (Aylward):

Order, please!

The hon. member for the
Strait of Belle Isle.

MR. ROBERTS:

Mr. Chairman, if I seem a little dazed let me say that it is not the fancy elocutionary footwork of the Minister of Education (Ms. Verge) that has done it to me, instead it is because I have just been trying to puzzle out some unemployment insurance regulations. If Your Honour thinks that the estimates before the Committee are at all complicated, Your Honour should have a look at the Unemployment Insurance Act, and the regulations made under it, which constantly defeat me, even though many of my constituents seem to be able to cope with them.

The Vicky Silk case, interestingly enough, Mr. Chairman, will have an effect upon the situation in this Province, and may even help the Minister of Finance's (Dr. Collins) dilemma, as it should mean that a great number of Newfoundlanders and Labradorians who have been denied benefits for unemployment insurance, will now qualify because of yesterday's decision in the Supreme Court of Canada.

However, Mr. Chairman let me come back to the mundane business of the Finance minister's estimates, and I am glad he is with us this morning because I think we should have another look at this question of the

MR. ROBERTS: retail sales tax estimate.

Now the minister's estimates for the year of the yield which he will get from the retail sales tax is, I believe, \$340 million. We will get the figures here in a minute. He is predicting we will receive \$340,500,000 and the 1982/83 revised, which would be actual for I suppose ten months, up until the end of January, maybe even eleven months until the end of February, and then the estimate for this month of March, the estimated figure for 1982/83, the current year, is \$275,600,000. Now that is an increase of about 23 per cent, 23.4 I believe, one of the people in our office worked out for me.

Now, Mr. Chairman, that \$75 million increase is at the very heart of the estimates before the Committee, it is at the very heart of the Budget which the minister produced. He told us that he was

MR. ROBERTS:

budgeting for about a \$30 million deficit on current account this year. But, of course, that prediction will be accurate only if the expenditures do not exceed those which are estimated and, this is the point that I want to stress now, if the revenues that the Province gains, collects from its various sources, federal and provincial, are no greater and no less than the amounts which the minister has estimated. If that \$340 million figure is wrong, then the minister's entire Budget is wrong. Now I know that could be said of any figure in the Budget; if the minister has estimated that we are going to spend, I do not know, \$50,000 on widgets, and it turns out we only spend \$45,000, then that will effect his Budget too.

But we are here talking of \$340 million of a total provincial revenue from \$945 million. So we are talking one single tax source which yields more than a third of the total revenue which the Government of the Province will collect from its own taxes. There is an additional \$889 million which comes from the much-maligned Government at Ottawa. That is a direct payment, the transfer payment made by the Government of Canada to our government. That does not take into account the money that the Government of Canada spends in Newfoundland on their own account. It is just simply the amount which comes from Ottawa in the form of cheques to the Minister of Finance (Dr. Collins), about \$890 million is his estimate -

MR. NEARY: \$900 million.

MR. ROBERTS: - \$900 millions in round numbers, and he is estimating \$945 million from direct provincial sources.

MR. ROBERTS: I will give you an example, Mr. Chairman, just to show how much Ottawa means in the economic life of this Province. I have here the most recent flash sheet which the Statistic Agency puts out, this is the one dated 18th. March, to show the safety net, the effects of the safety net - now that is an American phase, but it seems to become current in Canada - the social safety net, the economic and social under pinnings that underlie us all and to give us the incomes which we must have to enable us to live, because you cannot live without spending money in this world.

Last year in Newfoundland, in the month of December, when these figures were recorded, 55,000 Newfoundlanders were receiving unemployment insurance benefits. In December 1982 - these are the most recent figures that are available to us - a year later, 63,000 Newfoundlanders are receiving unemployment insurance benefits. Now if you realize that the total work force in Newfoundland is only, in round numbers, 200,000 - it was 202,000, in fact, in February 1982, and it was 209,000 in February 1983 -

MR. ROBERTS: a third of our total work force is receiving unemployment insurance benefits. And, of course, that just shows how much Ottawa's unemployment insurance support means. One of the reasons why I am reading unemployment insurance regulations is because they are a very real fact of life for every member in the House of Assembly. I suppose half of my constituency case work during the Winter months is tied up with unemployment insurance. I am sure Your Honour has the same experience in the Kilbride district. Maybe one out of every two telephone calls or requests or letters that come in are related to unemployment insurance. It is a very real fact of life. But the other way it shows up is the fact that people do not have to resort to welfare in this Province. The year over year figures for January, 1983, on able-bodied persons receiving social assistance, without earnings - welfare, the basic welfare, not allowances given to a lady who is a widow or to a mother who has no support for her children, these are the able-bodied relief figures - increased only 3 per cent from year over year, January 1982 to January 1983.

MR. CARTER: The member is wrong.

MR. ROBERTS: Well, I do not know if I am wrong or not, Mr. Chairman, I am reading the government's figures. If I am wrong it is because the figures are wrong. Unlike the hon. gentleman from wherever he is from, St. John's North (Mr. Carter), I can read, I can also write and that puts me up on him on both counts.

The provincial government's figures show that able-bodied relief, welfare, year over year is up by a grand total of 3.2 per cent, while unemployment insurance is up 14 per cent. Now I do not know whether the hon. gentleman from St. John's North ever has anything to do with his constituents or not, but a number

MR. ROBERTS: of his constituents tell me they cannot get hold of him. And they are the lucky ones. The ones who do get hold of him are even more unhappy or less happy as the case may be.

In any event, I want to talk about the sales tax because the \$340 million, which is such a important part of the provincial revenue, and I have very real doubts about the accuracy of the minister's estimate. Now, Mr. Chairman, the minister and I had a go at each other one day last week about this and he did not answer anything. His buzzword last week was 'annualization', whatever that may mean. He did not explain it and nobody else was able to explain it. Let us look at actual results. In February, 1982, the government of this Province collected in sales tax a grand total of \$18,517,200. If you divide that by eleven - because the sales tax in 1982 had not had the Collin's chop, it was only 11 per cent at that stage; mothers could still buy clothing for their families without having to pay the tax on it - if you divide \$18,517,200 by eleven you come to \$1,683,381, in other words, each point of the sales tax yielded \$1.7 million - \$1.683 million - in February 1982. And remember the minister is Budgeting, Your Honour, for a 23 per cent increase in sales tax yield, and he is going to get 8 per cent because he has increased the tax from eleven points to twelve points. For the benefit of my friend from St. John's North (Mr. Carter), that is a 8 per cent increase. It is one point but it is an 8 per cent increase. Now, Mr. Chairman, he is budgeting for a 23 per cent increase and he is going to get 8 per cent of that from the fact that he has increased the tax. So he has to find another 15 or 16 per cent somewhere else. Let us just look at this February, I have given him the 8 per cent, I am going to compare now the tax yields for a point.

MR. E. ROBERTS: In this February the total revenue received from sales tax was \$20,186,246. Of course, that is more than February, 1982 because in February 1982 it was only \$18.5 million; now it is \$20,200,000. It has gone up. Of course it has. But if you look at the take for each point you will find it is exactly the same. The yield from each point of sales tax in February, 1983, by the government's own figures, was \$1,682,187. In February, 1982 the yield from each point of the sales tax was \$1,683,381 - \$1,000 in the difference.

MR. CHAIRMAN (Aylward): Your time is about up.

MR. ROBERTS: Let me conclude by my simply saying to the minister would he be kind enough to explain to the Committee how he is going to get the 16 or 17 per cent increase he needs, given that the actual results show that the yield per sales tax point is static?

MR. J. CARTER: Mr. Chairman.

MR. CHAIRMAN: The hon. the member for St. John's North.

MR. CARTER: Mr. Chairman, I would like to contribute to that statement because I believe that the member for the Strait of Belle Isle (Mr. Roberts) - I think that is his district, which he never visits - is wrong in the larger context. He started his speech by saying that Ottawa spreads a great umbrella of financial protection around this Province, but in the past I have shown, and not one has been able to successfully dispute my assertion, that the Province of Newfoundland gives to Ottawa each year something of the order of \$1 billion. And if the members of the Committee will bear with me for a few moments.

MR. R. BAIRD: How much?

MR. CARTER: One billion dollars.

According to our own figures we expect to take in \$340 million in sales tax, that is

MR. J. CARTER: provincial sales tax. But what is conveniently forgotten is that nearly every manufactured article also pays a federal sales tax. It is not quite as high as 12 per cent but it is almost 12 per cent and it is on many more items. It is included on many items of food which the provincial sales tax is not on. Therefore you can safely say that of all the articles that we consume in Newfoundland at least \$350 million is spent on federal sales tax, that is money taken directly out of the pockets of Newfoundlanders and sent up to Ottawa.

The personal income tax figure in our Budget, I am quoting from our Budget, is \$264 million, but that is the provincial share of the federal income tax and the federal income tax is rather larger. Our provincial share of the federal income tax is 59 per cent, I believe,

MR. CARTER: and the federal income tax would be 100 per cent, so that is 159 per cent, so we can safely say that the federal part of the income tax is easily \$350 million. It is closer to \$400 million but I am being conservative, as is my nature, and saying \$350 million a year is taken out of the pockets of Newfoundlanders and paid to Ottawa in the form of the personal income tax.

MR. BAIRD: It is a two way street then, you mean?

MR. CARTER: The gasoline tax, in our figures, is \$62 million, but there is also a federal tax on gasoline. And I think it is safe to say, again I use a very conservative figure, that Newfoundlanders spend \$50 million a year on gasoline tax directly to the federal government. That is another \$50 million.

The corporate income tax again, our figure is \$45 million, but the provincial share of the corporate income tax is only a very small percentage; therefore we are quite safe in saying that \$200 million of corporate income tax goes to the federal government every year. And then the tobacco tax, \$45 million. Certainly there is a federal tobacco tax and it is certainly is large so we can say \$50 million goes to Ottawa on behalf of the tobacco tax.

Now those are just a few selected taxes and the total of all that is \$1 billion. This is not -

MR. BAIRD: We should have a credit balance, right?

MR. CARTER: No. We still get a lot from Ottawa but this is \$1 billion cash dollars that we take out of our pockets, Newfoundlanders take out of their pockets and send to Ottawa each year and that fact should not be forgotten.

MR. ROBERTS: Mr. Chairman.

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

MR. ROBERTS: I will not need very long to
deal with what the hon. gentleman from St. John's North
(Mr. Carter) said because he did not say very much.

MR. LUSH: He never does.

MR. BUTT: You should not (inaudible).

MR. ROBERTS: I am not. I am simply
speaking the truth. We have a phrase in the law, I would
say to my friend from Conception Bay South (Mr. Butt),
res ipsa loquitor, the matter speaks for itself. That
is really all I need to say about my friend from St. John's
North (Mr. Carter), it is a self-evident, self-destructive
proposition. That is what he is. But, you know, I thank
him for his startling insight into the obvious. He has
a penetrating insight into the obvious. Of course we
pay taxes in Newfoundland, we pay the same tax to
Ottaw. Yes, of course we do. And if the hon. gentleman
has forgotten that, I suggest either he or his accountants
will remind him quite brutally between now and the 30th.
day of April, when he will have to write out a very large
cheque, given what I am sure is his income, and have a
modest proportion of his income no doubt, but a very large
amount, and have to mail it off to the National Revenue
authorities in Ottawa. And if he does not do that then
I suggest the tax authorities will move on him even more
brutually than his accountants will.

Sure we pay taxes. We pay
endless taxes because there is no free lunch - the hon.
gentleman knows that but I am

MR. ROBERTS:

not sure some of his colleagues realize it - there is no such thing as a free lunch, we get what we pay for. But the point of the matter - of course, he managed to obfuscate it if in fact he ever noticed it to begin with; there would be a question in my mind whether he noticed it to begin with, but, if he did, he obfuscated it; not successfully, but he did obfuscate it when he spoke here in the Committee - the point of it is this, that the Government of Newfoundland collects about \$1 billion in very round figures-it is \$940 million, I read it out, it is here in the estimates - from the taxpayers of Newfoundland. In addition to that, the Government of Newfoundland gets about \$900 million, marginally less than we collect ourselves, in direct payments from Ottawa. That has no relation to the taxes we pay. On top of that, of course, we Newfoundlanders pay taxes, I will go with his figure of \$1 billion. I have no idea what it is; we could look it up, but I just do not have it here. The CTF, the Canadian Tax Foundation, would have it in its material, it has marvellous material. The \$1 billion is what we pay, every Newfoundlander and every Labradorian, in taxes to Ottawa. But in turn we get back from Ottawa, as Canadians, because we are entitled to it, I will go with, I am not sure, I think the Minister of Finance (Dr. Collins) threw out a figure - and I will accept it for the purposes of the argument - of \$2 billion. So we are paying \$1 billion in taxes and we get from Ottawa, in benefits that are paid directly by the federal government, unemployment insurance and all the other things, family allowances, the Veterans Affairs allowances, the federal civil service in Newfoundland - as small as it may be, good people but small in number - Canada Pension Plan, old age security, whatever,

MR. ROBERTS: the whole gamut of programmes, the whole gamut of expenditures including the money being spent to pave the roads in my district, which is the only money being spent, the money to pave the Northern Peninsula Highway, 90 per cent of which came from Ottawa; it would not be there yet if it was not for Ottawa putting the money in. They have the cart tracks paved up here but nothing down North if it were not for Ottawa.

But, add it all together and we are getting at least \$2 billion from Ottawa in return for our \$1 billion, and in addition to that, of course, we are getting our \$1 billion from Ottawa which is entirely separate. So Ottawa is putting a grand total of \$3 billion into Newfoundland by the figures from hon. gentlemen opposite, which I will accept simply for the purpose of the argument, and we are getting \$1 billion back. That is not a bad deal.

But that is not what we are after. I do not want the Minister of Finance (Dr. Collins) to get away without answering the questions, The question I asked him he has not had a chance to answer so I will sit down and let him answer. But I wanted just to demolish the argument of my friend from St. John's North (Mr. Carter). Let the Minister of Finance tell us if he would, please, how we are going to get the increased sales tax revenue which he has predicted the Province will get, given the actual results of what is turning out.

MR. E. ROBERTS: Why does he expect that we are going to get 23 per cent - 16 per cent when we take off the result of the sales tax increase - why does he expect that we are going to get that much more from the sales tax this year? There is a gaping hole in the minister's credibility, Sir.

MR. J. CARTER: There is a gaping hole in a lot of us.

MR. ROBERTS: Yes, there is. Unlike the member from St. John's North (Mr. Carter), I realize it.

DR. J. COLLINS: Mr. Chairman.

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

DR. COLLINS: Mr. Chairman, I will be glad to try to answer, to give some information. I do not know if the hon. member opposite will feel I have answered his question but I will try to give some information, information I have which led to that projected increase.

Mr. Chairman, the way the tax projections are arrived at is that one takes the tax collections for the previous year. In the normal course of events if we are trying to see what tax we will get in from a particular revenue source in 1983 - 84, we will go back to 1982 - 83 and see what we got in in that year; then we will look at any changes that are to come about in the New Year and we will relate those changes to the base that we found in the previous year, and then we will come up with our new projection.

Now, Mr. Chairman, in doing that in this budget we had a new element come into the equation. In the previous years you could go back and say your base from the previous year was related to the tax changes that occurred as of the beginning of the fiscal year.

(Extraneous noise)

DR. J. COLLINS: God, I am getting a lot of applause for the response I am making.

MR. E. ROBERTS: If the minister thinks that is applause he should go outside and hear it.

DR. COLLINS: A lot of applause.

MR. ROBERTS: It is the same applause Marie Antoinette got when she went to the guillotine.

DR. COLLINS: I do not want the members of the House to match the applause outside. Wait until I have finished my answer, please.

Anyway, in the usual year the tax increases occurred as of the beginning of the fiscal year, so when you looked at the base on which you based your projection the taxes were all in there. Now, in this past year, as you know, that was not the case; we brought in tax changes part way through the year, after about seven months of the year. So you cannot really go back to last year's base in the same way as previously. What you have to do, or at least what was done - I do not know if you have to do it this way, I suppose there are a number of ways you can do it - but what was done was that we looked at

DR. COLLINS: what we would have collected last year if there had been no tax changes in November, we looked at what would be the tax base if there had been no changes in November but nevertheless the economic activity in the Province went on as it did in actual fact do. And, Mr. Chairman, if we do that we come up with a revised figure the revenue from retail sales tax at just over \$266 million, \$266.6 million.

Now I would emphasize that that is the amount we would have gotten in if there had been no tax changes in November but the economy had slowed down to the level it did. Now that \$266 million was not what was in the 1982-1983 Budget, I do not have the Budget with me.

MR. ROBERTS: \$286 million, I think.

DR. COLLINS: Was it? I cannot remember, I do not have it with me. It is a different figure. Perhaps you could just let me, for the sake of argument -

MR. ROBERTS: \$286 million.

DR. COLLINS: It may well be. I think you are probably right, Yes, \$286 million. We did not get the \$286 million because the economy slowed down. We got more than \$266.6 million, as I have just said, because we brought in some tax changes. But, ignore the tax changes, with the economy slowing down we did not get in \$286 million, we would have gotten in \$266.6 million. So that is the base we start from.

Now we have to add to that the fact that we did bring in tax changes in November which are now going to take effect of course as of the beginning of the fiscal year and go on for the whole twelve months of the fiscal year. And if we take those taxes into effect we have to add on \$41.6 million,

MR. ROBERTS: How much?

DR. COLLINS: \$41.5 million.

I will break that down further.

The change in rate from 11 per cent to 12 per cent will bring us in \$19.1 million. That is very close to the figure of the hon. member opposite; he mentioned that each point of retail sales tax brings in \$1.7 million per month. This is a one point change, so \$1.7 million per month multiplied by twelve gives you whatever it gives; it gives you very close to \$19.1 million anyway. So that is what the rate change will give us, an added \$19.1 million.

Now we have to subtract \$5 million from that because we decreased the building material tax - a great PC advance in the taxation policies of this Province - we dropped the rate on building materials down from 12 per cent to 8 per cent; actually I suppose strictly speaking we dropped it down from 11 per cent to 8 per cent. But there is that difference of 4 per cent between the retail sales tax that is generally applicable and what is applicable to building materials, which is 8 per cent. So we have to drop off \$5 million there.

DR. COLLINS: Adult clothing and footwear tax, which went on for the first time in November and now, of course, will be on for the full twelve months in this new fiscal year, will bring in \$23 million. There was a change in the taxation on prepared meals.

MR. NEARY: How much was it for clothing again?

DR. COLLINS: \$23 million.

Prepared meals, because there was a change there, will bring in an extra \$2 million over a full twelve month period at the rate of the changes, that were made in November.

And then the final one, commercial heating fuel. There were changes made in the taxation of commercial heating fuels in November and over a twelve month period that will bring in another \$2.5 million. So if you add those together, the \$19 million for the rate change -

AN HON. MEMBER: That totals \$41.6 million?

DR. COLLINS: Yes, \$41.6 million. Now that brings you up to an adjusted 1982/83 base of \$308.1 million.

MR. ROBERTS: \$301.8 million?

DR. COLLINS: No, \$308.1 million. That is the adjusted 1982 base.

Now then, we have to add on now two things. We have to add on the fact that we are going to have inflation, unfortunately, but we are going to have it. And we also have to add on now the real increase in Gross Domestic Product. And for those two points we have added on a total of 10.5 per cent - 7.5 per cent was related to what would be an average inflation rate over the year, and one has to add inflation because if you buy a pair of shoes, say, at the beginning of the year and you pay \$100 for them, at the end of the year, because of inflation,

DR. COLLINS: you would pay \$107.50. Of course the RST is actually on the selling price, so if the price goes up because of inflation, the revenues go up because of inflation.

MR. ROBERTS: The government is benefitting from inflation.

DR. COLLINS: Well, it works out that way.

I think government wishes we did not have inflation because there may be an up side to inflation but there is also a down side to inflation as far as government expenditures go. So we had to add on the 7.5 per cent for inflation. Then we have to add on the other 3 per cent for a real increase in Gross Domestic Product. Now you might say that in the budget you did not say there would be a 3 per cent increase in Gross Domestic Product, and that is quite true. I said that we were projecting a 1 per cent increase, and that 1 per cent increase relates to all economic activity in the Province and, of course,

DR. COLLINS: retail sales tax does not really apply to all aspects of economic activity -

MR. ROBERTS: Not yet. It will when the mini-budget is brought in.

DR. COLLINS: A good thought - but it applies to particular aspects of it. For instance, retail trade is estimated to go up between 2 and 3 per cent next year. Housing starts are estimated to go up between 10 and 20 per cent next year, and so on. So the aspects of the economic activity in the Province to which retail sales tax will have some relation is estimated to go up about 3 per cent. And by adding in the inflation factor and the real Gross Domestic Product increase, we had to add on to the adjusted 1982/83 base of \$308.1 million an extra \$32.4 million. That gives your total projection of \$340.5 million as a forecast for retail sales tax returns.

Now as I say I have no doubt that one could get at this perhaps in some other way and you might come up with a slightly different figure.

You might question whether it is legitimate to say that \$7.5 per cent is going to be the average inflation rate, perhaps there is going to be a different inflation rate, or you might question whether the 3 per cent Gross Domestic Product increase, or the activities related to retail sales tax is a correct figure, I do not know. I am sure you could question that.

MR. CHAIRMAN (Aylward): Order, please! The hon. minister's time has elapsed.

Does the hon. minister have leave?

SOME HON. MEMBERS: By leave.

MR. CHAIRMAN (Aylward): By leave, the hon. Minister of Finance.

DR. COLLINS: Just thirty seconds.

I will say this though. We have discussed this with not only our advisors, but we have discussed this with people, knowledgeable people such as people in, say, the business school at Memorial University, who were interested in how we arrived at this projection, not Dr. Montgomery or Mr. Montgomery, but another gentleman or two, and they had not great questions about the approach we took.

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

MR. ROBERTS: Thank you, Mr. Chairman. And I will take another bite at it, but I suspect that the interest of most members of the Committee is not exactly riveted on the methodology by which the government calculations sales tax revenue yields, it is a fairly dry subject and yet it is of consuming importance because of course the particular tax of which we are speaking is not simply a tax like any other. It is a tax unlike any other in that it -

MR. MARSHALL: Go on. Go on. Go on.

MR. ROBERTS: No, I understand. I say to my friend from St. John's East (Mr. Marshall) I do not mind the minister going to look out at the crowds. I can remember being a minister looking out at the crowds gathering there; they were different people but the same general motivating force, and I would say to my friend from St. John's East that while I am neither a prophet nor the son of the prophet, I suggest to him that coming events are casting their shadow and history repeats itself. There is no doubt at all in my mind that hon. gentlemen opposite are in for an interesting three or four years, and my friend

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MR. ROBERTS: from LaPoile (Mr. Neary) and I,
who have been down the roller coaster, know exactly what
it is going to feel like.

MR. ROBERTS: The budget, I may say, sounds so familiar. I can sit here, close my eyes -

MR. NEARY: You could have written it without being there.

MR. ROBERTS: We did write the budget a number of years ago; the numbers may be a little different but that is all there is to it. In fact, you know, Mr. Chairman, one of the really fascinating developments in our public affairs in the last year or so in this Province -

MR. MARSHALL: There is one difference though. Whatever monies are around are in the hands of the people. In your day, whatever monies were around went to the J. C. Doyles.

MR. ROBERTS: Well, the hon. gentleman may believe that, I do not doubt his belief. I will simply say that he has been over there for eleven years now - whatever it is - turning over rocks and he has not as of yet found any worms.

MR. MARSHALL: I look at them everyday I sit here. I see them over there.

MR. ROBERTS: There is an intelligent comment now. We will take that for what it is worth which is not anything. But we could talk, if you wish, about the fraud perpetrated by the hon. gentleman - and the Premier in particular was involved in it - in spending \$110 million on the Lower Churchill when there was no hope at all in 1975 of getting that project underway, a fact which the Cabinet of the day knew full well. And the great genius, John Crosbie, who is now going to lead us out of our economic morass, he tells us - he has been telling us that for fifteen years - was, of course, party to the fraud as well. But I simply say to my hon. friend that one of these days somebody in the press is going to

MR. ROBERTS: write a fascinating story pointing out the parallels between this administration in its decline, which is where it now is, and the Smallwood administration in its decline, which is what happened after, of course, 1966. The parallels are just simply staggering. Closing hospitals - how familiar it sounds! - Botwood and Markland; where have I heard those two names before? Markland is gone and, of course, Botwood is on the hit list and will be going shortly. The gentleman from Exploits (Dr. Twomey) will fight a valiant rearguard action, he may or may not have his way in the short term, but in the long term, given the approach of this government to these issues, Botwood is as dead as the dodo.

Now let me come back to where I began to the minister. I appreciate what he said because he is making some sense now and I think, with all deference, he will agree with me that last week he was not making sense; he did not know what he was talking about when he spoke on these points last week. Now he has been briefed by his officials on the details, and I would not have expected him to be briefed before the points were raised, I do not expect the minister to be intimately aware of all of the minutiae. He might have anticipated the argument and prepared himself, but I do not blame him for not having done that. I do feel that life would have been much easier for him if he had, last week, simply said, 'Look, I know that there is a methodology, I am not up on it, I will get it and we will go back at it again later,' which is what he has now done. What he is telling us is that he has changed his methodology, the government are now adopting a different methodology to try to calculate the yield - and these are only forecasts, only estimates, they have changed their

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MR. ROBERTS: methodology and that is always, of course, a significant admission. A banker will tell you, or a financier will tell you one of the indications when a customer is in trouble is when he changes his bank or changes his accountant.

MR. E. ROBERTS: here what we are doing is changing our accountant, we are changing our whole methodology

Now, Mr. Chairman, let me ask the minister if he would - perhaps he could just nod or interrupt me and indicate, unless he wants to speak again which of course he should, he has every right to do so - the finance officials produce for the minister and for his colleagues in the Cabinet a range of estimates on these tax yields. They produce a range on assumptions. The minister has told us, very frankly and candidly, some of the assumptions; 7.5 per cent net adjusted inflation during the year. It may be high, it may be low but it is an assumption and there it is for what it is worth; three per cent increase in the Gross Domestic Product/ retail sales aspect, and that is an estimate that may or may not be a good one but it is an estimate. But of course -

SOME HON. MEMBERS: Oh, oh.

MR. ROBERTS: If my friend from Mount Scio (Mr. Barry) would let me continue because I do want the minister's attention.

MR. L. BARRY: You are talking to this man, are you?

MR. ROBERTS: Yes, I am talking to that man. You see, he is not listening or if he is listening he is not understanding but I am talking to him. I will only be a moment or two, I say to my friend from Mount Scio. Sit there and see what it is like to sit in the seats of the mighty once again. Coming events casting their shadows before them, I hope.

Now, Mr. Chairman, what I was asking was whether he will confirm that the government receive a range of estimates from their advisors - of course they do - and different assumptions produce different results. And would he then confirm that the estimate which he has taken

MR. E. ROBERTS: is the highest possible estimate. If he does not confirm that, then we will have some more debate and I will have to challenge his assumptions, because his assumptions are valid only as assumptions and they obviously are the very highest - not the highest possible he could have assumed a Gross Domestic Product increase of 50 per cent instead of 3 per cent - the highest defensible assumptions are what he has taken. The government officials came in and said, 'Look, minister, on this sales tax you will get \$300 million on one set of assumptions, you will get \$320 million on another, you will get \$340 million on another,' and he has taken the \$340 million figure because, of course, if he did not, either he would have to come to grips with expenditures, which he has not done - he has not done that, he has offered some sacrificial lambs in Health and education because his colleagues have decided that these are people who cannot fight back, and they will learn better about that - but they have not approached their expenditures at all, we will deal with that in the Budget Speech itself if we ever get around to the debate. But he has taken the highest assumptions because if not, given that he cannot come to grips with expenditures, he is not allowed to do that, he would end up with a massive deficit, far more massive than even the one now that he has admitted. Now, let me as well say to the minister could he deal with the question I raised, which shows that his assumptions are seriously flawed because if you take the actual results, Mr. Chairman, from the sales tax yield in the two months in respect of which we have and he is not allowed to do that, he figures - we have January and we have February, and I gave February's, and if I can find them in the mess of papers here on my table - there they are - I will give January figures which of course reflect the Christmas sale,

MR. ROBERTS: the biggest month of the year. In January, 1982 we received per sales tax point, on the eleven points, \$2.278 million. The total yeild was \$25,064,000; that comes out to \$2.278 million. In January, 1983, which incorporated Christmas 1982 expenditures, we received \$30.54 million, and of course that is after taking in -

DR. COLLINS: What was that?

MR. ROBERTS: - \$30.54 million \$30,540,094 - \$30.54 million - and that produces a yield at twelve points of \$2.545 million per tax point. So the yield per tax point from January, 1982 to January, 1983 went up from \$2.278 million to \$2.545 million, which is an increase of about ten points. And that takes into account, of course, all of the changes of which the minister spoke, all of the assumptions which he built in. The actual results there, in the two months we have, he is up 10 per cent on one month, the busiest month of the year, and he is up by zero points on the second.

Now, in the face of that - these are actuals, not assumptions - can the minister tell the Committee whether he really believes that his prediction of an overall twenty-three point increase will come true, will be the actual results of the yield per tax point? We only have two months; we do not have March, of course, it is not over yet. We will not get those figures until the 20th. of April, the date the sales tax is due. Could he confirm then whether he still believes that his predictions are accurate that his assumptions are valid, given the actual results? I will again give him 8 per cent of an increase because of the change in the tax rate but where does he get the rest in the face of the actuals? That is my point, Sir.

MR. ROBERTS: These estimates have a methodology behind them, but, Sir, they are hopelessly inflated and the problem is we are all going to pay for it. The hon. gentlemen opposite, who neither know nor care about this kind of debate, are going to learn to their chagrin next November or December when the minister is standing and saying, 'Here is the mid-year economic, here is the course correction.' And you know what is going to happen in the course correction? More tax increases or greater expenditure cuts. There is no other way out given the minister's performance to date, Sir.

Thank you.

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

DR. COLLINS: Mr. Chairman, the hon. member opposite suggests that we have changed our methodology radically. That is not so. There new factors that were brought into palce last year because of tax increases half-way through the year are relatively unique - I will not say totally unique; it was never done before, so it is a relatively new element in the whole situation - and that had to be taken into account. Other than that, there has been no significant change in the methodology as to how we projected revenue increases this year over any previous Budget. If there was a change in methodology, it was just a totally rational, logical one, realizing that there had been tax increases through the year rather than just at the beginning of the year.

DR. COLLINS: Now the hon. member also suggested that we took the highest assumptions and I think that he is probably turning his attention particularly towards the rate of increase in Gross Domestic Product. I do not think he can quarrel too much with the inflation figure. That is about an average. I think if you will read the Globe and Mail or The Financial Times or whatever, you will find there that most people are projecting somewhere between a 7 and 8 per cent increase in inflation this coming year as opposed to whatever it was in the previous year just gone by, something around 10 per cent.

So I think he is questioning the Gross Domestic Product increase. Well, we are projecting that we will go from about a minus 5 figure in the 1982/83, up to a plus 1 in 1983/84. And the federal government are projecting that they will do very much the same thing. And there has only been one other provincial budget brought down to date, Manitoba I believe it is, and my memory suggests to me that they are projecting about the same changeover. So our projected increase in the Gross Domestic Product is not out of line with what others are projecting. I do have to say once again that we take advice from a wide range of people available to us, economists within the public service, people in the financial field, and other people who are available to us. We take advice from them as to what is a reasonable projection for economic activity in the Province in the year ahead and they will agree - I will not say they all agree on exactly the same figure, but the consensus of opinion was that we will turn from a minus 5 to a plus 1 in the coming year. So we are not taking the highest assumption, we are taking the best advice we got. It is neither the most optimistic nor the least pessimistic, it is a most reasonable one.

DR. COLLINS: Now the hon. member suggested that our budget was going to sink us like what our friends out there on the Sea Shepherd, or whatever that vessel is called, are hoping to sink the sealers' vessels just like they will not succeed in sinking the sealers' vessels, neither will this government sink this government.

Perhaps I might be permitted to just read the last paragraph of a letter I got from a senior partner in one of the large financial firms in the country. He was one of the individuals who gets an annual invitation to come in on budget day, he could not come but he was courteous enough to send a letter. In the letter he explained why he could not come and in the last paragraph he said - this is an individual from McLeod, Young, Weir: "All good wishes. I have heard rumours of a tiny budgetary deficit. As disappointing as that may be for you, your achievement, relative to the position of all other provinces, is monumental."

SOME HON. MEMBERS: Hear, hear!

DR. COLLINS: So there is the Budget that in the opinion of a very, very knowledgeable senior member of a large financial firm in this Province, that is his assessment of what this government has done for the budget. "Your achievement is monumental."

MR. S. NEARY: A point of order, Mr. Chairman.

MR. CHAIRMAN (McNicholas): A point of order, the hon. the Leader of the Opposition.

MR. NEARY: One of the rules of this House is that if you quote from a document or a letter then you have to table the letter. Now, would the Chair order the Minister of Finance (Dr. Collins), because he read the last paragraph of the letter, as a matter of fact he now has to table it, Mr. Chairman.

DR. COLLINS: To that point of order, Mr. Chairman.

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

DR. COLLINS: I think that one does not have to table private correspondence. If one reads a piece of official correspondence you have to table that, but you do not have to table private correspondence. On the other hand, I have absolutely no hesitation in tabling this and as a matter of fact I am rather proud to table it.

MR. NEARY: Well then table it.

DR. COLLINS: But I would say, Mr. Chairman, that there is a personal aspect to the first paragraph and I would hope that that is not used indiscriminately.

MR. CHAIRMAN: That point of order has been resolved.

MR. NEARY: Mr. Chairman.

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

MR. NEARY: Mr. Chairman, as hon. members of the House are aware, it is most unusual to bring in capital account expenditures in the Interim Supply Bill. Last year it was done for the first time in the history of this Province.

MR. R. DAWE: You would not want capital projects delayed?

MR. S. NEARY: No. That is what I am coming to. I am going to ask the hon. the Minister of Finance (Dr. Collins) if he will spell out the details of the amounts included in the Interim Supply Bill for capital expenditures. Could he give us a list of the road projects, the water and sewer projects, where the Summer cottage development is taking place and so on? Give us some more details on the capital amounts included in the Interim Supply Bill. Can the hon. gentleman do that for us?

DR. COLLINS: Mr. Chairman.

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

DR. COLLINS: Mr. Chairman, the hon. the Leader of the Opposition (Mr. Neary) suggests, or at least implies, I suppose, would be a better word, that it is very unusual to bring in new capital expenditures in an Interim Supply Bill.

MR. NEARY: Most unusual.

DR. COLLINS: But it has been done before. The Financial Administration Act, which has been in place for a considerable period of time, speaks to it and indicates that it can be done quite legitimately and the only onus it puts on the Finance Minister in bringing it in is that it must be specifically referred to when the resolution and the bill pertaining to the resolution is introduced into the Committee. And, of course, that is what I did on the first day and I would just go over what I said at that time, that there

DR. COLLINS: are new capital account projects totalling \$18.5 million in this Interim Supply Bill. The total Interim Supply Bill is \$442 million plus, nearly \$443 million.

The new capital account projects are: Improvement and Construction, Roads - \$13.4 million, and that is part of a totally provincially funded programme. There is no federal funding in that, it is a totally provincially funded programme. If the total programme is \$20 million, there will be \$6 million that are carry-overs from last year, projects that were not completed last year. There are about \$6 million worth of those to be carried over and then the other \$13.4 is now brought to the attention of the Committee.

MR. NEARY: Is this just general maintenance or is this special projects?

DR. COLLINS: Improvement and construction.

MR. NEARY: Where?

DR. COLLINS: I am sure that the hon. the Minister of Transportation (Mr. Dawe) will be only too glad to give further details on that as the Budget Speech proceeds.

The next item was Residential and Industrial Servicing, which is to be cost shared with the federal government. It is under a DREE agreement so it will be 90-10. The total amount is \$1.7 million. And that refers in large part to water and sewer projects in various areas in Labrador, quite a number of the communities in Labrador.

MR. NEARY: Would that be in Northern Labrador?

DR. COLLINS: Some of them are. I think the main one is in L'Anse-a-Loup.

DR. COLLINS: The third one, Highways, again this is cost shared with the federal government on a 75-25 basis and it refers to projects on the Trans-Canada Highway. These mainly are projects already underway but they have a phase to be carried out in 1983 - 1984 as well as the previous phases in 1982 - 1983.

The fourth one, Forest Access Roads, these are again cost shared with the federal government 90-10. The total amount spent there will be \$1 million. The hon. the Minister of Forest Resources and Lands (Mr. Power), I have no doubt, will be able to give further information as to where those actual forest access roads will be, but clearly

DR. COLLINS: they will be to help supply raw material to the paper companies so they will be in the most propitious places for that purpose.

The fifth one, bridges and causeways - again this is totally provincial. This is a totally provincial programme and the amount to be spent there is just under \$1 million.

And the final one is the cottage land development, there will be \$250,000 there.

MR. NEARY: Where?

DR. COLLINS: These will be, as far as I am aware, mainly on the Avalon Peninsula.

MR. DOYLE: And close to Corner Brook.

DR. COLLINS: And some close to Corner Brook. So some in the East and some in the West. Again I do want to point out very distinctly that this is a self-financing programme, that we are just front end loading the thing really, to get the developing going; then the lots are sold and the money comes back so there is no net expenditure on the part of the provincial government.

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

MR. NEARY: Mr. Chairman, one of the ministers, I think it was the minister for Labour and Manpower said, Did I object to calling tenders and putting people to work? Well, there is not much employment involved in that list that the hon. Minister of Finance (Dr. Collins) just read out. Some of that work was started last year, it is just ongoing.

MR. CALLAN: And finished.

MR. NEARY: And finished. Some of the work is finished, Mr. Chairman. And so what I would assume the hon. gentleman is doing is asking the House to approve in Interim Supply money to pay back bills.

SOME HON. MEMBERS: No. No.

DR. COLLINS: No. No.

MR. NEARY: Some of it is finished, Mr. Chairman.

MR. DINN: None of it is finished.

MR. NEARY: So there is not going to be much employment created in these projects, Mr. Chairman. The policy of this administration, their priorities are to develop cottage land, develop land around ponds so that people can have access to the prime fishing areas in the Province, and build Summer cottages. I am all for people being able to enjoy their leisure time.

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: Mr. Chairman, if Your Honour could enforce the rules and ask the ministers to restrain themselves, I would appreciate it.

MR. CHAIRMAN (AYLWARD): Order, please!

MR. NEARY: I am all for, Mr. Chairman, people having a Summer cottage. I am all for that, and being able to enjoy their leisure time. But I ask this House.

MR. BARRETT: That will make a headline in The Daily News.

MR. NEARY: But I ask this House, is this the time, is this the number one priority in Newfoundland and Labrador at the present time? Have we heard anything about the fishery in the last couple of weeks in this House -

MR. DINN:

yesterday.

We heard a Big flip flop

MR. NEARY:

industry.

- the crisis in the fishing

MR. BARRETT:

about it now.

They are in Ottawa talking

MR. NEARY:

Have we heard anything about Corner Brook? Did the Minister of Labour and Manpower (Mr. Dinn), who all of a sudden now that I have stood in my place in this House, is getting snarky and lippy over there, will the hon. minister get up and tell the House whether he is going accede to the request from the people in Corner Brook to have an industrial enquiry into the

MR. NEARY:

Bowater operation in Corner Brook? Would not that be a top priority of the administration? Would it?

Mr. Chairman, this administration, their policy, their priorities are building jails, developing lots for summer cottages and buying obsolete tracking stations. That is the philosophy of this administration.

No justification in this world for spending a million dollars on that obsolete tracking station at Shoe Cove. Mr. Chairman, while they are announcing that they are going to buy this obsolete tracking station that is useless to anybody - it would not have been closed by the Federal Government if it was any good. It cannot penetrate the clouds, it cannot see after dark, it cannot track icebergs, it cannot track ice and yet the Provincial Government are going to attempt to buy it and operate it, while at the same time they are announcing the closure of hospital beds and the cutting back of student allowances in this Province.

MR. DINN: Is there not a hospital opening in Port aux Basques?

MR. NEARY: The Minister of Manpower (Mr. Dinn) is at again. I would gladly take my seat if the hon. gentleman would get up and make an announcement that the administration have decided to have an industrial inquiry into the Bowater operation, something that the people of Corner Brook have been asking for now since last Fall. They have been asking for an industrial inquiry since the administration, especially the Premier, covered up and sat on information that he had in connection with the Bowater operation in Corner Brook, refused to give the people the information and is now resisting and refusing to appoint an industrial inquiry to look into the whole Bowater operation.

MR. NEARY: That is something the administration can do, something positive.

MR. DINN: Who will that employ?

MR. NEARY: Who will they employ? Mr. Chairman, it might be the salvation of saving the Bowater Mill and the logging operation that goes along with it. It might be successful in doing that. I call upon the administration now to accede to the request of the people of Corner Brook, to grant their request. It is not very often Corner Brook asks the Administration or this House to do something special for the second city in this Province - not very often. They have given the Premier and the administration four seats,

MR. NEARY: Humber East, Humber West,
Humber Valley -

MR. DINN: - Bay of Islands.

MR. NEARY: - and Bay of Islands. They have given the administration four out of the forty-four seats, so the least the Premier and the administration could do is to give Corner Brook an industrial inquiry so they can find out about the future of the paper mill. That is a reasonable request, is it not? Is it not a fair request? Well, why will they not do it? They are spending all their time at foolish nonsense, Mr. Chairman, worrying about obsolete tracking stations, and building cottages, providing building lots for Summer cottages. Well and good. I mean, I am all for it, but is that the priority? - and building jails.

How many jails have they built in this Province in the last three or four years?

MR. BARRETT: While you are still on the loose they do not have enough yet.

MR. NEARY: How many jails? Well, we might need - the way the administration is headed, the disaster course that they are on, Mr. Chairman, maybe they will fill up the jails themselves. They have built one in Bishop's Falls, one in Stephenville, and one in Labrador. Building jails all over the Province. They come in and they have the face to announce in this House, 'We are pleased' they say - I heard the Minister of Justice (Mr. Ottenheimer) the other day saying he was pleased that there was a jail opened in Bishop's Falls. Why would anybody be pleased about opening a jail?

AN HON. MEMBER: (Inaudible).

MR. NEARY:

Well that is another question.

Mr. Chairman, the point I am making is that their priorities are upside down. It is hospital beds, maintaining a high level of health care service in this Province. And the hon. Minister of Health (Mr. House) can argue all he wants that sick people are not going to suffer as a result of his cutbacks. He made a statement the other day. It just rolls off their lips. If they are challenged, Mr. Chairman, they cannot back it up. It just rolls off their lips. The minister made a statement the other day that nobody will die in this Province because of the cut in hospital funding. 'Nobody will die', the hon. gentleman said. How does he

MR. S. NEARY: know that nobody will die?
I was talking to a doctor the other day, a couple of nights ago, who told me that the list of people waiting to get in hospital for surgery would frighten you. There are forty-odd beds closed at the Health Science Complex. And they are going to have to close more beds, not only at the Health Science Complex but all over the Province. And this doctor told me that the waiting list of people wanting to get in for major surgery is frightening. And he was telling me about one case, where the surgeon who does open heart surgery had quite a waiting list, he could not get beds for his patients, and when he did finally get a bed for a man who needed a triple bypass, when he finally got around to it, getting a bed for him, he called up the family and discovered that the man had died a week before. Now, that is something, Mr. Chairman. The surgeons are embarrassed. Our professional people are being embarrassed by these long waiting lists that they have, and yet the Minister of Health (Mr. House) has the face to stand in this House and tell us that nobody will die as a result of the reduction in the level of health care service in this Province. It is a funny thing, Mr. Chairman. We can see the true nature of this administration when they introduce policies to try to save a few dollars and to keep their deficit down. Who do they take it out on? They take it out on the sick, and on the students and the people on welfare, the poor people, because they feel that these are the people who will not fight, who cannot defend themselves, Mr. Chairman. Well, the students are showing us today that they can defend themselves. They are out front now in the hundreds, and they will probably be there shortly in the thousands, showing this administration how much they object to their backward policies. The first ones they hit; sick people,

MR. S. NEARY: defenseless people. The next group they hit are welfare recipients, people who cannot defend themselves, and then the next group they brutalize are the students in this Province. They will be getting up now one after the other and telling us that the greatest resource we have in this Province are our young people while they are creating an atmosphere and an environment in this Province, in the field of education, Mr. Chairman, where you will have to be the son of a rich, wealthy person in order to get a post-secondary education in this Province.

MR. CHAIRMAN (Aylward): Order, please! Order, please!

The hon. the member's time has elapsed.

MR. W. MARSHALL: Mr. Chairman.

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

MR. MARSHALL: Well, Mr. Speaker, it is one thing for sure, the greatest resource we have are not our old people, because we have just had a ten minute example of our old people giving us a dissertation.

MR. MARSHALL:

on the same old types of politics that occurred in the 1950s and the 1960s, repeated over and over again. It is the same type of speech he makes over and over again without any substance.

Now, Mr. Speaker, at the risk of the Leader of the Opposition (Mr. Neary) accusing me of reading a lecture, I am going to briefly just tell the members of the Opposition and the House once again - just very briefly - what we are about right now.

We are considering Interim Supply. We are asking for Interim Supply of two months, based on the details of the Budget given by the Minister of Finance (Dr. Collins). By the rules of this House, we have brought in the Budget Speech, we have referred the various departments to committees. There is work to be done with respect to the passage of the Budget, with respect to the passage of the Interim Supply. Under the Standing Orders, there are seventy-five hours given for consideration of supply. According to my calculations, we have sixteen departments referred to committees, so that is forty-eight hours; we have nine which we have to allot to the Concurrence debates, which is fifty-seven. We have consumed between eight and nine hours now, so we are up to sixty-five or sixty-six hours with no prospects of doing anything other than the Interim Supply.

I would suggest to the hon. gentlemen opposite that the questions they have which do have a certain amount of validity, are best asked when we come down to the detailed estimates. I would also point out to the hon. gentleman that on Interim Supply, we have to get Interim Supply by the end of March in order to pay the bills for April 1st. I would further point out to him

MR. MARSHALL: that this year in a most timely fashion ever, the Budget has been brought down by the Minister of Finance (Dr. Collins) - in timely fashion - so I would suggest our best course of action would be to - there has been a lot of debate on Interim Supply and obviously, from the speech just rendered by the Leader of the Opposition (Mr. Neary), the questions asked have run down. The Opposition is running down on this matter, so why do we not pass it and get on to consideration of the estimates that are still here before the House in Committee of the Whole, so that we will not get to the stage, and I know the hon. gentlemen will not wish to, where the Executive Council and Legislature have retreated to Your Honour just calling out the heads and going down through, as we will, of course, when the time limit expires.

Having said that, I will pass to the hon. gentlemen there opposite. There are three of them over there now. They could have a leadership convention if they wish, if they do not agree with what the leadership - I sat watching today and I really felt sorry for the Leader of the Opposition (Mr. Neary) because it was the same tired, old speech. I saw the member for Terra Nova (Mr. Lush) - and here he comes in - and the member for Eagle River (Mr. Hiscock) there, and I thought, 'They could get together now and have a leadership convention and replace the hon. Leader. So these are my

MR. MARSHALL: words of advice with respect to procedure.

MR. CALLAN: Tell us about the 40,000 jobs. Tell us about the Shoe Cove station.

MR. MARSHALL: I am glad the member for Terra Nova (Mr. Lush) has come in because there is one thing that I cannot sit down without drawing to his attention something that he mentioned in Question Period this morning.

In Question Period this morning he asked the Minister of Education (Ms. Verge), who, by the way, received the most cordial of receptions down there before the students. He went out and put the government's position -

SOME HON. MEMBERS: Oh, oh.

MR. CHAIRMAN (AYLWARD): Order, please!

MR. MARSHALL: The hon. gentlemen should not interrupt now.

MR. WARREN: Is that so? (Inaudible) in fifteen minutes.

MR. MARSHALL: The hon. gentleman is much better on his feet saying 'Mr. Speaker' than interrupting me now.

MR. CHAIRMAN: Order, please!

MR. MARSHALL: Anyway, I want to get onto the member for Terra Nova. The member for Terra Nova asked the Minister of Education-in response to the questions she said, 'Look, we had the most generous of programmes with respect to student loans in Canada and we cannot afford it'. So then he gets up and he asks a question-and here is the Minister of Education now, he asked the Minister of Education, he said to her, 'Is it then the policy' - this was a big thing he wanted to make - 'Is it also the policy of this government to bring taxes down to the same average? If we are going to have services down to the same average, are we going to bring taxes down?' Well, imagine the hon. gentleman

MR. MARSHALL: asking that. Sure does he not know that that is the policy of this government, that indeed one of the major cornerstones of the policy of this government, one of the reasons why we want to have some control over the offshore and some control of the revenues is for that very purpose? Monies for the government come from two sources - from the people through taxation or through resources. Already our people are taxed to death. The taxes are far too high and this government want to reduce the taxes. It is faced with a budget, what can it do? It can only slash expenditures or put the Province in bankruptcy. The only other alternative, and the one that we are seeking, is to increase the revenue from resources. So I say to the hon. gentleman, yes indeed it is the policy of this government to get our taxes down to the average of the rest of the Canadians. And if the hon. gentleman and his confreres would join us in that instead of backing up Ottawa as it does from time to time, and giving the impression that Newfoundlanders are divided whereas they are not, giving the impression that Newfoundlanders are divided, perhaps we would attain that more quickly. And look at the logic that the hon. gentleman uses in his question of the Minister of Education (Ms. Verge). He thought he had a great awakening for everybody. On the one hand the Minister of Education was saying we cannot afford a programme more generous than the average Canadians. And he gets up and he thinks it is a great intellectual exercise to ask that particular question. The answer to it is yes to both, as the Minister of Education so ably responded to that question this morning with respect to the educational programme and what have you. But the answer was definitely yes, that we do hope and we do anticipate

MR. MARSHALL:

that we will be able to bring the taxes down in this Province to the average level and at the same time get average level of employment of younger people in this Province, and at the same time get our average debt down and all the rest of it. And if the hon. gentleman had anything more than Liberalism in his cranium, between his left and his right ear, he would realize that the way to achieve this is to support the policies of this government and not to be asking idiotic and asinine questions of that particular nature.

Mr. Chairman, I do not know how much more time - there are other things I would like to get into, I do not think time allows, but I would like to get into certain questions that have been asked of the Minister of Health (Mr. House), along the same lines, with respect to the health services. Once again we come down to the question, 'You get your money from taxation or you get it from resources'. We cannot get it from our resources. Our people are overtaxed. So regrettably the services are not at the level that we would like them to be. But as the Minister of Health has indicated it is not true, as he indicated in his statement today, for hospital administrators, for doctors and what have you - and doctors can sometimes be in their ivory towers as much as university professors are reputed to be - to say that we have slashed expenditures. As the hon. Minister of Education (Ms. Verge) has indicated today, we are giving \$306 million to meet their operational costs. This represents a 12 per cent increase when our revenues are not increasing by that nature. Now where else do we get it? And I know it is very popular

MR. MARSHALL: to blame the government but the government has to get the money from somewhere. The doctors and certain media as well - I noticed on CBC that the hon. Leader of the Opposition (Mr. Neary) wanted to criticize the Minister of Health (Mr. House) who was asked by a reporter, when he talked about the cuts that had to be and he responded to the Health Sciences objections to the cuts, and the question was, 'Well, what about the political hospitals?'. Now that was not a question, Mr. Speaker, that was a statement. Now, I do not know whether they are political hospitals for Clarendville and for Salt Pond and for Channel Port Aux Basques and for Grand Falls. If that is politics, to provide for the health of people in those areas, I do not know. But that is the type of negative questioning that you get by way of statement, that begs the question. And the question is - the money has to come from somewhere the hon. member for Terra Nova (Mr. Lush) should know, the money can only come from taxes or it will come from our resources. And yes, to the hon. member for Terra Nova, yes, we are going to get the taxes of this Province down to the average Canadian if we can get them from our resources, which would mainly come from our offshore now and our hydro development.

At the same time, when we are doing that, I tell the member for Terra Nova, we will be increasing the employment level in this Province to the average of Canadians. We will be increasing the per capita earned income of families in this Province to the average of Canadians. We will be decreasing the per capita debt to the average of Canadians. Now, is the hon. gentleman against that? I say all hon. gentlemen there opposite are very much against that, because they have

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MR. MARSHALL: supported very lustily
the policies that try to preclude us from attaining
this majority. Why do not the hon.

MR. MARSHALL:

gentlemen, instead of carping as they were, practicing the politics that the hon. member for LaPoile (Mr. Neary) is so well versed in, the politics of the 1950s and 1960s that have long since gone and long since passed their utility in making questions like that, why do they not get up and ask, Where is the money coming from? And if you ask where the money is coming from, there are only two sources. This is the Progressive Conservative Party.

MR. LUSH:

Ottawa.

MR. MARSHALL:

Ottawa. That is what the hon. gentleman says, Ottawa. Yes, Uncle Ottawa. We had enough of Uncle Ottawa. Uncle Ottawa, that type of attitude just means equalization and transfer payments for the rest of the duration. Where the money has to come from, is from taxes from the people, fair taxes from the people, and from our resources. And the hon. gentleman, I think, would much better serve his membership in this House, his constituents in Terra Nova, and the people in this Province if he would refrain from asking such idiotic and asinine questions as he asked in the Question Period this morning. His name I believe, his surname is -well, I cannot quote his surname, I am not allowed, but I can call him, with that philosophy, 'Uncle Tom'. Because they are all Uncle Toms on the other side, as indicated by the member for Eagle River (Mr. Hiscock) when he says 'Uncle Ottawa'. Now, the Uncle Toms - whatever Ottawa visits on this Province, no matter whether it is justified or not, it is going to be supported by the gentlemen there opposite. We are going to see spectacles such as the Leader of the Opposition getting up day by day and absolutely exulting in the fact that we lost the case before the Supreme Court of Newfoundland. I never saw anything

MR. MARSHALL: make the Leader of the Opposition (Mr. Neary) so happy as that lost case before the Supreme Court of Newfoundland.

MR. NEARY: Mr. Chairman.

MR. CHAIRMAN (Aylward): Order, please!

MR. MARSHALL: That case which it has carried on will send us into equalization payments for the rest of the duration.

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

MR. NEARY: Mr. Chairman, the hon. gentleman started his few remarks by giving the House a lecture. That is the second day in a row now that the hon. gentleman has adopted the role of a lecturer. Mr. Chairman, he scolded the Opposition for the way they were handling the Interim Supply Bill and then proceeded, himself, to spend the next eight or nine minutes making a political speech.

Mr. Chairman, the hon. gentleman seems to be awfully concerned about the Leadership of the Liberal Party these days. And I cannot say that I blame him, Mr. Chairman. The fortunes of the Liberal Party are on the upswing in this Province.

MR. BARRETT: Oh, yeah! Oh, yeah!

MR. NEARY: The Tory image and the Premier's image has been battered and bruised in the last several months in this Province, and I cannot say that I blame the Government House Leader (Mr. Marshall) for being

MR. NEARY: concerned about the leadership of the Liberal Party. Although, Mr. Chairman, I am too modest to say that the Tories in this Province are down in the worst valley they have ever been in in their lives. They are about as low now as they can get in this Province, and all the polls indicate that. I cannot claim all the credit. I share the credit for that with my colleagues. But we have had an awful lot of help from the Premier, Mr. Chairman. The Premier is the greatest friend we have now as far as helping our fortunes to improve, aided and abetted by the President of the Council, the Government House Leader (Mr. Marshall) who just took his seat. You know, Mr. Chairman, if we can only keep the hon. gentleman on television, if we can come in this House every day and ask a few questions and get his friend - and I am not condemning the CBC by the way, I am against blatant, partisan reporting from this House. I am against that. I am not criticizing the CBC. But if the hon. gentleman can get his pal from the CBC to interview him, if he can only get Barbara to interview him, it does us more good, Mr. Chairman, than if one of us appeared on television. It does us more good, this side, the Liberals. It does our cause more good. Because I do not suppose if you combed the Province of Newfoundland you could find an hon. gentleman, when he appears on TV, where large numbers of people feel like driving their boot in through the television.

MR. DINN: Not true.

MR. NEARY: Well, it is just as true as the statement the Minister of Health (Mr. House) made, that nobody will die because of the cutbacks in his services.

MR. DINN: What an exaggeration.

MR. NEARY: So, Mr. Chairman, if I was the hon. gentleman I would not worry about the leadership of this party. The leadership is in good hands. We were never as united in our lives as we are right now. We are going forward together and we are going forward, Mr. Chairman.

MR. DINN: It does not look that way to me.

MR. NEARY: But if I was the hon. gentleman I would be more concerned about the leadership of the Tory Party.

MR. YOUNG: This time last year you had twenty-one.

MR. NEARY: It is going to be worth the money. It is going to be worth the money, Mr. Chairman, to see how the hon. gentleman will react.

PREMIER PECKFORD: Very strongly.

MR. NEARY: If Mr. Crosbie does not win the leadership of the National Tory Party, it will be interesting to watch the hon. Government House Leader (Mr. Marshall) twist and turn and squirm. It will be interesting to watch what will happen if Joe Clark happens to be re-elected, or Brian Mulrooney wins the leadership. It will be worth the cash to watch hon. gentlemen manoeuvre around.

DR. COLLINS: This is relevant?

MR. NEARY: Yes, it is. The hon. gentleman's colleague brought it up.

MR. S. NEARY: So if I were the hon. gentleman I would not be worried about the leadership of the Liberal Party, I would be more worried about the leadership of the Tory Party. Now, Mr. Chairman, the hon. gentleman also gave my colleague a lecture on finances. 'Where will the money come from?' he said. Well, Mr. Chairman, that is a good question. The money will come from the development of our natural resources. I do not think any hon. member will disagree with that statement. Even the President of the Council (Mr. Marshall) as narrow-minded as he is, as buttoned down as his mind is, Mr. Chairman, even a corner boy, even the buttoned-down mind of a school teacher, even a corner boy will admit that if we are going to increase our revenue in this Province, we have to develop our natural resources, Mr. Chairman, and we have to get our Gross Provincial Product up to at least 8 or 9 per cent a year. If we had a Gross Provincial Product of 8 or 9 or 10 per cent a year we could manage everything else, we would be prosperous, we would be able to look after the needy people, we would be able to look after the unemployed. But, Mr. Chairman, why can we not develop our natural resources? The hon. gentleman just gave my colleague a lecture. He said, 'Where will the money come from?' Why can we not develop our natural resources and why are we not developing our natural resources? Well, Mr. Chairman, the reason our natural resources are not being developed is due to the policies of the administration across the way. They have created a hostile atmosphere, environment in this Province for the creation of new industry, for the development of our resources, to attract new business and industry. Mr. Chairman, they have created an atmosphere that would drive business and industry away from Newfoundland and not attract business and industry here. And you have

MR. S. NEARY: proven that and they have done it in the last few years. They are driving the oil companies away from our shores and now the oil company, Mobil, is thumbing its nose at the hon. gentlemen over there. I do not know when we are going to find out what kind of a secret weapon they have for dealing with Mobil for not following their orders to bring the rigs into shore. But, Mr. Chairman, Iron Ore Company of Canada recently decided to layoff seventy or eighty or one hundred employees

MR. NEARY: and did not bother to hold prior consultations with the administration. Mr. Chairman, here is what happens, here is the difference in what Nova Scotia is doing and what Newfoundland is doing: When the Minister of Industrial Development for Nova Scotia travels abroad, he rolls out the red carpet to attract business and industry into his province. But when the Minister of Development (Mr. Windsor) for Newfoundland travels abroad and he has an opportunity to speak to industrialists and businessmen, he is almost rude and insulting.

MR. BARRETT: Who?

MR. NEARY: The Minister of Development for this Province. The difference between the other provinces of Canada is that the ministers responsible for industrial development travel abroad, roll out the red carpet, tell the business people the advantages of coming to their provinces, the tax concessions they will get, the low electricity rates, the benefits and the privileges that they will get. But what does our Province do, Mr. Chairman? They tell these industrialists and these business people, if you are coming to Newfoundland you will do what we say. We will lay down the ground rules, we will tell you what we want. No such thing as the profit incentive, that is out the window.

Mr. Chairman, it is a very serious matter, because I know for a fact that business an industry that wanted to settle in this Province, once they heard the policies and the attitude of that administration they would not touch this poor old Province of ours with a barge pole. And what about the development of the Lower Churchill Falls? We are told now that it is unrealistic, it is not feasible to develop it and bring the power to the Island of Newfoundland. If

MR. NEARY: it had been developed ten years ago instead of kicking out BRINCO, if the administration had allowed the Churchill Falls Corporation and BRINCO to develop the Lower Churchill, Mr. Chairman, we would have had that natural resource developed. But now to develop it the cost has escalated to such an extent that it is impractical, it is unrealistic, it is uneconomical to bring the power down to the Island of Newfoundland. Mr. Chairman, what about the fisheries? How have they mismanaged the fisheries? And what about Corner Brook and Buchans and Labrador City and Wabush? What about the pulp and paper industry in this Province? Mr. Chairman, the hon. gentleman must have the face of a robber's horse to get up and aim a blast at my colleague who was asking some very intelligent questions this morning of the Minister of Education (Ms. Verge) and saying, 'Where is the money coming from'? Well, the money will come and this Province will become prosperous when the people kick out that administration, kick out the Tory administration.

MR. CHAIRMAN (Aylward): Order, please!
The hon. gentleman's time has elapsed.

The hon. Minister of Finance.

DR. COLLINS: Mr. Chairman, the hon. member, I think in the early part of his remarks, suggested that this budget and the administration, this year, was not doing much for employment in this Province.

DR. COLLINS: I just want to give him a little bit of information, and in doing this I want to refer to our capital budget, just our capital budget. As hon. members know, our capital budget is very much orientated towards employment, because this is where we give our main stimulus to employment outside the public service. Our current account budget, by and large it does create a tremendous amount of employment, but it does that by keeping on staff the public servants we have. But what our capital budget does, it employs people out in the general work force. So I just want to read out a number of items in our capital budget this year, each one of which is more than \$1 million. Now there are some less than \$1 million, but I will not bother with those, just those over \$1 million. For instance, building and equipping schools, \$34.5 million in round figures, in our capital budget, and you can imagine the number of people who are going to be employed in spending or in taking part in the building of \$34.5 million worth of schools.

Highways, \$23.4 million;
improvement and construction of roads, \$20 million;
Confederation Building Complex, \$10 million; Newfoundland and Labrador Institute of Fisheries and Marine Technology \$10 million; Newfoundland and Labrador Housing Corporation, \$8.5 million; highway development, \$8.3 million; airstrips in Labrador, \$7.7 million; bridges and causeways, \$7.4 million; St. John's regional water and sewer servicing, \$7.2 million; the Clarenville Hospital, \$5.5 million; forest access roads, \$5.5 million; vehicles and equipment, \$4.6 million; hospital equipment, \$4 million. Not too much employment there, perhaps, although a significant amount. The Channel Hospital, completing that project, \$3.3 million; the Fisheries

DR. COLLINS: Loan Board \$2.6 million, related to the building of fishing vessels; and the Constabulary Building in Labrador, a lot of employment in Labrador from that, \$2.5 million; the Labrador correctional centre, \$2.4 million, and so on. I will not read all the rest.

The total amount of our capital expenditures this year - \$251 million. Now, Mr. Chairman, there are an average of 250 working days in the year which means that we are putting into the economic activity in this Province on capital account only \$1 million every working day in this year, \$1 million. It works out at about 5 per cent. Just from our capital account alone we are putting in the equivalent of 5 per cent of the Gross Domestic Product of the Province. So, I mean, if the hon. members opposite think that there is no help in this budget for our employment picture, you know, they just do not understand the budget.

I just want to have a little crack at the hon. Leader of the Opposition (Mr. Neary), when he says that this government is taking the wrong attack on developing the Province. Mr. Chairman, there is absolutely no doubt whatever that we could have tremendous development of our natural resources, if not tomorrow, at least within a very few months.

DR. COLLINS: We could develop our natural resources in the same way that the Liberal Government developed them for years. We could, tomorrow, say to the Federal Government, take the offshore, do what you want with it - we know what they will do with it - and we would get development out there in very short order. We could say to the Province of Quebec, come in and develop our rivers on the Lower Churchill basin - and we know, of course, who would get the spin-off from that - they would be in tomorrow or the next day and doing it.

We could say to the Federal government, take over total jurisdiction of the fishery; they would be out there tomorrow with their freezer trawlers and so on and so forth and would be taking the resources off our coast and bringing it you know where and so on and so forth. But we are not going to do that, because we know that development of natural resources is not an end in itself. Natural resources have to be developed properly and primarily - not exclusively, but primarily for the benefit of the people in this Province and that is why we are holding out for development of the offshore until it is done in a way that this Province gets its rightful benefit from it. We will not get 10 per cent and everyone else get 90 per cent. Because of the situation we are in, we, in the first instance, need the 90 per cent and everyone else gets 10 per cent, and when we draw up to the level of everyone else, well, then, we will spread it out much more evenly. But we are going to hold out for the development of our offshore until it is developed for the people of this Province primarily, and that is the way it should be.

In Labrador we are going to develop the hydro resources up there, but we are going to develop them so that the profits come here, the benefits come

DR. COLLINS: here, they do not go 90 per cent to some other province and we are left with just the expenditure of our natural resources for a few measly construction jobs in a short-term manner. And the same way, we are going to beat into the heads of those who are now resisting our approach, our fishery policy, which is a sensible fishery policy, which will see the fishery developed by those contiguous to the resource, developed primarily by those where the resource is on their doorstep: just like the people in Saskatchewan, Manitoba and Alberta, they developed the wheat industry primarily for their resource and so they should, they live there. The Ontarians should not be developing the wheat industry out there or the New Brunswickers or whatever, it should be developed by the people on the Prairies. The same way the fishery out here should be developed by and primarily for the benefit of the people in the Atlantic area, and particularly in Newfoundland, because we are the province to which the major fishery resource in this country pertains. That is our particular place in the Canadian Confederation, we are the great fishery Province of Canada and to have it handled in any other way is just a bizarre joke; it is just a Canadian farce to have it any other way.

I just make that point, Mr.

Chairman, that sure we can develop, we can go the old centralist way, the way the Liberal party has always gone, give the resources to someone else to develop, take the crumbs, we could do that tomorrow and we would have a short-term boom, no lasting benefits, we would have a short-term boom and a fair number of short-sighted people would be saying how great it is five or ten years down the road we are in the same old

DR. J. COLLINS:

crisis. What we are going to do, we are going to cure once and for all the economic problems in this Province by taking the God given natural resources we have in front of our eyes, we are going to develop them the way they should be developed. They are going to be developed primarily for the people of this Province and this Province is going to become the economic engine of Atlantic Canada, Atlantic Canada which has always been the poor cousin in the Canadian Confederation, always! Go back however far you want to go, back to 1836 when the Canadian Confederation came about, the Atlantic area, the Maritimes in those days, were always the poor, downtrodden, slack-out-of-their-pants type part of Canada. What we are going to do if we stick to our policies, if we are persistent, if the people continue to support us, we are going to turn around Atlantic Canada and it is going to be based on the resources, the properly developed resources of Newfoundland. Just like the wealth in the West is developed by Alberta and B.C., and that has changed the whole image of Western Canada, by those two provinces being given their head and allowed to develop the resources they have and develop them their way, so, this Eastern part of Canada, once it is given its head, is going to turn around and become as affluent as any other part of Canada.

SOME HON. MEMBERS: Hear, hear!

MR. E. HISCOCK: Mr. Chairman.

MR. CHAIRMAN (Aylward): The hon. the member for Eagle River.

MR. HISCOCK: Mr. Chairman, I just want to speak very briefly on that. You may have trouble hearing me because of the students outside the building; with regard to the cheers they are giving their people who are speaking on fighting for their rights.

MR. E. HISCOCK: And I would go as far as to say, Mr. Chairman, it is amazing how things change in the Province. E.J. Pratt said, 'Here the tides flow and here they ebb.' Yesterday one of the members on the government side got up and said it was eleven years ago that the PC party came into power. It was less than a year ago that the Peckford administration got elected with an overwhelming mandate of forty-four seats and here now we have about 500 students from the Trade School and about 2,000 from the university demonstrating, Mr. Chairman. But the saddest thing I find is that most people in Newfoundland, on April 6, who, when they voted for the Premier who was going to be the great white hope, the one who was going to lead them into the promised land, now find out that their future is somewhat dim, with regard to Hibernia. One of the things that I have always believed in is ourselves as a province. We have had to scratch, we have had to fight for what we got. The majority of the people support the Premier even now with idea of fighting for equality and fighting for Newfoundland. But one of the things I am sure of, Mr. Chairman - and we can see that by what has happened today - is that the tide is changing. Our younger people are out there and they are saying, 'Yes, it is fine to own Hibernia. Yes, it is fine to have all these things, but in the meantime, we want food.' 'We want bread on our tables,' our workers are saying. Our younger people are saying, 'Yes, it is fine to fight for the long-term, but I have graduated now with five years of university and almost a \$30,000 debt and I would like a job, Mr. Peckford. How much more in the long-term, Mr. Peckford, do you expect me to wait?'

MR. HISCOCK: And here, Mr. Chairman, I would like to say that outside the House of Assembly we have approximately 2500 students fighting for their rights. It reminds me of my days back in university when Lord Taylor decided not to collect the union fees for the students. The end result was, Mr. Chairman, that a good many of us ended up occupying the administration building and kept the administration building for a week before the university president gave into the terms. Also, with regard to student rights, at that time we marched on Confederation Building against the Premier of the day, Mr. Smallwood, because I believe the rights are for the students and if we do not have our younger people who have the idealism to go and question each administration of whatever political stripe - I think these students out there today are to be commended for standing up for their rights and saying, 'We are the future'. Hibernia is not the future; the Upper Churchill is not the future; the Lower Churchill is not the future; the Northern cod or the Grand Banks cod is not the future, Mr. Chairman, it is our younger people. And here, Mr. Chairman, more so than anything, our younger people overwhelmingly, 99.9 per cent I would go as far as to say, gave their support to the Premier of this Province, particularly in the last election and said, 'Yes, Mr. Peckford, we know that you are going to fight for us so that we can get jobs and we can go and build Newfoundland to be one of the greater provinces of Canada, and help build this great country of ours, and we will have you as our leader'.

Well, what has he done? If Hibernia is going to come on stream in the next five, six or seven years, where are our engineers and our technicians going to be? Where are our chemical engineers, where are our geologists, where are our physics professors, not students, professors and other people going to be, Mr. Chairman? The answer is as

MR. HISCOCK: always - we cannot see the forest for the trees - we will have to bring them in from outside the Province. Then we will have the Minister of Fisheries (Mr. Morgan) saying, 'Oh, they are outsiders', or we will have the Minister of Manpower (Mr. Din) getting up and quoting statistics. We had the Minister of Finance (Dr. Collins) a few minutes ago get up and read the capital works programme, If we realized that this is the most critical in our history not only for Hibernia but the preparation for Hybernia, then we would take the money from the Arts and Culture Centre in Labrador West, as bad as they need it, we would take that money and put that into student aid. The Confederation Building, we would take that money and put it towards student aid, and we would also take other money and put it towards Grade XII and the marine institute. But no, Mr. Chairman, this is not the case. We now find out that the part is - and the government is playing a very cynical, cruel, callous game with our younger people. They know that in four years time, when they will have another provincial election, those students will be out looking for jobs. The majority of them will probably be unemployed. A lot of them also will have to move to other parts of Canada. But yet they know that four years from now they are not going to be there. But the Arts and Culture will be built in Labrador West, the hospital will be built in Burin, will be built in Claranville and a lot of the people will forget about the suffering and the pain and the undue hardships that they had to go through in 1983 and 1984. In 1986 and 1987 they will forget about that, Mr. Chairman.

MR. HISCOCK: And what is happening is that this government is taking a cold, callous attitude in allowing them to go through that. I, for one, believe that we should have short-term, because we must have short-term alongside long-term. You cannot have long-term if you are not laying block by block, inch by inch, piece by piece, foot by foot. You cannot have it, Mr. Chairman, otherwise.

Who would have believed that in less than a year - eleven years after the anniversary - we have seen this government not only whittle away, but continually strip away programme after programme brought in by the Liberal administration. Eleven or twelve years ago, Mr. Chairman, students were being paid to go to university. And now, what do we see? We see signs out there: "Dear Mom: Send money."

Education is a right, not a privilege. They are calling for the Minister of Finance (Dr. Collins) to come out. But where is the Minister of Finance? - sitting down with a grin on his face like a Cheshire cat! That is where his sincerity is, Mr. Chairman. That is where the Tory philosophy really comes out. 'Let them eat cake,' Mr. Chairman, is the attitude of this government. They know where these students will be in four years time, away from the vicinity of this House of Assembly and, as I said, the attitude is, 'Let them eat cake.'

But little did one think that in less than a year the Premier would have to move out of his house, government aircraft would have to be sold, hospitals would be closing left, right and center, and students would be marching. I am very,

MR. HISCOCK: very pleased and proud to see the students marching, not necessarily because it is this government, it does not matter. Some day, we may be in that position and the students may be marching on us. It is a question of idealism. For a long time, Mr. Chairman, for the past ten years or so, we have seen our students in this Province become dormant in the sense that they have been led into a sense of false hope. For the past eleven years hope has been given to them by this administration that the Lower Churchill would give them jobs, then it was Hibernia and other projects such as the aluminum plant in Goose Bay, one false hope after another. But now, Mr. Chairman, I believe the youth of our Province are beginning to wake up and are saying, it is okay to have a Premier fight for you, but you also want somebody who is going to bring home the bacon and this Premier, for one, is not in a position, nor has he been, to bring home anything substantial.

So, Mr. Chairman, as I said, I want to record the noise outside Confederation Building, I want to record the fact that the Minister of Finance (Dr. Collins) is sitting here trembling in his seat, wondering whether he should go out, and obviously, he will not. And the Minister of Education (Ms Verge) - I give the Minister of Education points for courage. Maybe she is getting a grant from the federal Department of Labour and Manpower. She is now getting on the job training in how to

MR. HISCOCK:

deal with mass control and population. I must say I commend her for her courage. Like the member for Naskaupi (Mr. Goudie) she is also being hung out to dry by the Cabinet; thrown to the wolves, just like the Minister of Health (Mr. House). And yet, Mr. Chairman, we find now that the one principle that can lead us out of the economic troubles that we are in is our youth.

There is a correlation between our university and post-secondary students and the economic well-being of our Province, of our country. We have the lowest per capita student income, we have the lowest per capita student population in this Province for post-secondary education.

MR. CHAIRMAN (Aylward):

Order, please!

The hon. member's time has elapsed.

SOME HON. MEMBERS:

By leave?

MR. CHAIRMAN:

Bank.

The hon. member for Grand

SOME HON. MEMBERS:

Hear, hear!

MR. MATTHEWS:

I would just like to react to some of the comments that have been made by the hon. member for Eagle River (Mr. Hiscock). And I would like to say that the Minister of Education (Ms. Verge) at present is demonstrating the usual courageous attitude of this administration by going down and meeting the students, in their, group head on. I might say that she got an excellent reception when she walked out into the group, an excellent reception.

SOME HON. MEMBERS:

Hear, hear!

MR. MATTHEWS:

I would also like to say to the member for Eagle River that if I were him I would be very, very concerned about unemployment, because

MR. MATTHEWS: if the Liberal Party of Newfoundland does not change their attitude and tactics in this Province, then I think that they will all be on unemployment insurance benefits when the next provincial election comes around.

I would also like to say, Mr. Chairman, that I sat here this week and I have been quite delighted with the amount of debate that has taken place pertaining to the resources of this Province, and there is one resource in which I am particularly interested, and that is the fishery. But I must say, Mr. Chairman, on Monday and Tuesday I sat here and listened to the Leader of the Opposition (Mr. Neary) attack our Premier and the Minister of Fisheries (Mr. Morgan), accusing them of not having a fishery policy, not having a plan for restructuring. But I might add, Mr. Chairman, that the Wednesday before last I attended a public meeting at Gonzaga High School; I was accompanied by my colleague for Burin-Placentia West (Mr. Tobin), my colleague for Kilbride (Mr. Aylward). The Leader of the Opposition was there and he was accompanied by the former member for Grand Bank. And at that meeting the Leader of the Opposition spoke to the gathering and all he did was attack this administration. All he said was that the processing end of the fishing industry falls under the jurisdiction of the provincial government. He tried to put blame on this government.

Mr. Chairman, he did not offer one suggestion as to how the fishing yields in this Province should be cured. He did not offer one, not one suggestion. Mr. Chairman, at that meeting I publicly told the meeting that I was in favour of separating the harvesting

MR. MATTHEWS: sectors of the fishing industry from the processing sector, I publicly said it. And I am very glad that the member for LaPoile (Mr. Neary) was there, because it is obvious he learned something at that meeting. Because yesterday he came into this House and he tried to make the people of this Province believe that he has developed a fishery policy. Now, it is the first time since I have been in this House of Assembly that I have seen him so panic stricken. Why was he panic stricken? Because at the same time he was here speaking, the Premier and the Minister of Fisheries (Mr. Morgan) were in Ottawa before the Select Committee of Cabinet.

MR. NEARY: Doing what?

MR. MATTHEWS: Putting forth this Province's position with regards to the restructuring of the fishing industry. And I might say, also, to the Leader of the Opposition that the Kirby Task Force was set up initially to deal with the restructuring of the fishing industry because the large companies were in trouble.

But what did Mr. Kirby do?

The first thing he did was he brought out a policy that deals with everything in general. He did not deal with the restructuring problems, he wanted till later, and you accuse this government of delaying and dragging its feet on the issue. I suggest to you that it was Mr. Michael Kirby and his Task Force that dragged their heels on the problem. They did not restructure the fishing industry initially, which they should have done.

SOME HON. MEMBERS: Hear, hear!

MR. MATTHEWS: I would also like to say to the Liberal Opposition and to the Leader of the Opposition (Mr. Neary) that, yes, if tomorrow morning the harvesting sector of the fishing industry was separated from the processing sector, this Province right now - and all the plants that are on the South Coast of this Province still have the processing licences. This Province has not revoked them. If tomorrow morning this Province were to give each processing plant \$5 million everyone would say, what a fine fellow Brian Peckford is, what a wonderful administration. We have our processing licences, we have \$5 million to operate each plant. And all the people would be happy and they would look forward to going to work in two or three weeks. But there is one major problem, and I hope the Liberal Party in this Province and in Canada realize it, that you cannot go to work in a processing plant if you do not have fish to process, and therein lies the problem.

SOME HON. MEMBERS: Hear, hear.

MR. MATTHEWS: The trawler fleet in this Province and in Atlantic Canada, the harvesting sector is strictly controlled by the federal government - federal Fisheries and Oceans.

MR. PATTERSON: Right on.

MR. MATTHEWS: Quotas that these trawlers catch are strictly controlled, and jurisdiction, totally by the federal government. This Province does not have one thing to say about it. We want to, we think it is in the best interest of the fishery in this Province to have some say in it, but you -

SOME HON. MEMBERS: Hear, hear.

MR. NEARY: What would you do?

MR. MATTHEWS: What would I do? That is a

MR. MATTHEWS: good question. I am glad you asked the question, because I have put a little more thought into the fishery than you have, obviously, because I live in the fishery; I am surrounded by five processing plants.

MR. NEARY: I know that, but what would you do with it?

MR. MATTHEWS: What would I do with it? Well, the Kirby Task Force has projected a growth in the Northern cod stocks alone, over the next five years, of 110,000 metric tons. Gradually implemented, about 20,000 metric tons per year increase up to about 110,000. Also, the foreign fishing interests in our waters at present are taking approximately 40,000 metric tons of fish. Now, what are they doing with the fish? Number one is they are catching the fish and consequently we cannot catch it. But the bigger problem is they are taking it back to their countries and it is being processed. And, of course, what they are doing then is flooding their markets with fish that we should be selling to their markets. So the problem is twofold.

MR. CALLAN: But Jim McGrath did the same thing when he was the federal Fisheries Minister.

MR. MATTHEWS: Jim McGrath, at present, is not the Minister of Fisheries. The present Minister of Fisheries for Canada, for the hon. member's information, is Mr. Pierre De Bane. Mr. Pierre De Bane is the present Minister of Fisheries in this country. And Mr. De Bane has the jurisdiction over the harvesting of fish and allocating quotas to companies. So I say therein lies the problem. And, of course, again, the Opposition is talking about resources. We have seen their stand on the offshore. We now again witness their stand on the fishery. The whole South Coast of this Province is dependent totally

MR. MATTHEWS: on the fishery. And I would only wish that the member for Eagle River (Mr. Hiscock) would go down to the Burin Peninsula and tell them that their future is not in the Northern cod. Where is their future if it is not in the Northern cod? And Hansard can show that the hon. member said that the future of this Province does not lie in the Northern cod

MR. MATTHEWS: or the oil off our shores, or anywhere else. So where does it lie? Where else are we going to create jobs to employ the students who are down on our steps today? Where are we going to employ the fish plant workers who are presently laid off in plants along the South Coast? If we do not get enough fish to put into the plants to process, where are we going to get the fish to create the man hours of work?

Now I would like to say for the hon. Leader of the Opposition that for 20,000 metric tons of fish that are landed in this Province, it will provide approximately 460 man years of work - okay? - which will be enough fish to process in a plant the size of Burin, a plant the size of Grand Bank. A full year's work it will provide. But if you take that 20,000 metric tons of fish and you spread it out along the Coast with what is presently landed there, then we have got enough fish, that will keep people employed year round. And I say to him there are approximately 40,000 metric tons of our fish that is caught by foreign vessels. If we could have that, how the people of the South Coast would rejoice. If only the members of the Opposition would join with this government and stand with them on their policy that we should control our quotas, and have some control over where the trawlers that catch the fish are going to land the fish. Therein lies the problem. In my own district of St. Lawrence we have a plant that there never was a trawler fleet attached to. Where is St. Lawrence going to get the fish if someone does not control the landings of the trawlers? Where are they going to get it? And, I say to you, I agree totally that the harvesting sector of the fishing industry should be separated from the processing end, for two reasons. And you know I said

MR. MATTHEWS: it and, of course, that is why you said it yesterday, because you learned from what I said. You learned from what I said. And the two basic reasons are, that if the trawler fleet is taken apart from the processing sector, fish can be then controlled, and I would hope that this government will be involved in whatever company or whatever is set up to control the trawlers.

MR. NEARY: I said all that yesterday.

MR. NEARY: I would hope that then enough fish would be caught to supply the South Coast plants. That is where the future for St. Lawrence lies, that is where the future for Gaultois lies, that enough fish can be caught and the trawler fleet deployed in such a manner that fish is landed to create employment.

I would also say that there is another reason for something to be done with the trawler fleet at present, because I am very, very familiar with the condition of the Lake Group trawlers. I can tell you, and I would like to go on record in this House, as saying that within five or six years from now the majority of trawlers presently owned by the Lake Group will sink if something is not done about the problem immediately. So what I am saying is in order to replace the trawler fleet something has to be done; take them apart from the processing sector because we know at present the financial difficulties of the companies do not permit them to replace their trawler fleet. They need approximately \$260 million, we are told, to bring them square with the board today. But no one has talked about replacing the trawler fleet. We are talking probably another \$500 billion to replace the fleet. So the best chance for replacement is to take them away from the processing sector, set up some group to handle the trawlers, then, I

MR. MATTHEWS: think we are really getting there possibly, in correcting the problem.

I would just like to say also, Mr. Chairman, that on the South Coast today there is great concern, right throughout the Coast, because we have heard, and I have heard, and I am sure every hon. member in this House has heard, that the Leader of the Opposition is always referred to the misery list. He has listed out the plants along the South Coast as being on the misery list. But I would like to make it clear for this House that the misery list that he quotes is not a misery list of this government, it is a misery list of the federal government, because where else has — this government has never said —

SOME HON. MEMBERS: Hear, hear!

MR. MATTHEWS: — this government has never said that the plant in Gaultois should close, or Burin should close, or St. Lawrence should close, or Fermeuse should be an inshore plant. This government has never said it. Who has said it then? It is quite obvious the Select Committee of Cabinet, the Federal Cabinet, have got them on the misery list from the federal government, not this provincial government. This provincial government does not support that position. It does not support the closure of the plants that the Leader of the Opposition has on his misery list. Not us.

MR. MATTHEWS: We never have, not yet. I have not heard it. And I would just like to say, as the member representing the district of Grand Bank, we presently have three processing plants, and if the federal government get their way it will be reduced to one plant. On the Burin Peninsula there are at present five processing plants. If the federal Liberals get their way we will be reduced to two plants on the total Burin Peninsula. To me it is totally unacceptable. And I am very optimistic, Mr. Chairman, that when the official position of this government becomes clear over the next few days, this government will take the proper stand on the fishery in this Province, a stand that will not only employ those who are presently employed but also re-employ those who have been on layoff because of the problems in the industry on the coast.

So, Mr. Chairman, in concluding I would only plead with the Leader of the Opposition (Mr. Neary) and the members in Opposition that they join with this government, this administration, and support the position that will become clear over the next few days, stand up as Newfoundlanders and be counted. You have not demonstrated one bit of support for this government on our offshore issue. You say the fishery is the backbone of this Province. I would like to say, Mr. Chairman, that when it all comes clear I am sure that this administration will look very good on the issue and once again the Opposition will look very, very bad. Thank you.

SOME HON. MEMBERS: Hear, hear!

MR. CHAIRMAN (AYLWARD): The hon. Leader of the Opposition. I draw the hon. leader's attention to the time.

MR. NEARY: I will just take a moment,

MR. NEARY: Mr. Chairman. Yesterday I put forward the proposal about separating the harvesting sector from the processing sector. But let me remind the hon. gentleman who just took his seat that on Wednesday I also said the same thing. We have argued and put forward a suggestion that the trawler fleet be nationalized. Now my understanding is that the Premier is opposed to that suggestion.

MR. MATTHEWS: I did not say nationalize it.

MR. NEARY: The hon. gentleman did not what?

MR. MATTHEWS: I did not say nationalize it.

MR. NEARY: What are you going to do with it if you separate it?

Anyway, I move the Committee rise, Mr. Chairman, and report progress.

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 Supply have considered the matters to them referred, have asked me to report some progress and ask leave to sit again.

On motion, report received and adopted.

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

MR. MARSHALL: Mr. Speaker, before moving the adjournment I would like to advise the House that the Government Services Committee will meet on Monday, March 28th., at nine-thirty, in the Colonial Building to review

MR. MARSHALL: the estimates of the Department of Finance. Social Services will meet on Monday at nine-thirty as well, here in the House of Assembly, to review the estimates of the Department of Culture, Recreation and Youth.

Mr. Speaker, I move the House at its rising do adjourn until tomorrow, Monday at 3:00 p.m. and that this House do now adjourn.

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