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PRELIMINARY
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TRANSCRIPT

HOUSE OF ASSEMBLY
FOR THE PERIOD:
10:00 a.m. - 1:00 p.m.
FRIDAY, MAY 11, 1984

The House met at 10:00 a.m.

Mr. Speaker in the Chair.

MR. SPEAKER(Russell):

STATEMENTS BY MINISTERS

MR. SIMMS: Mr. Speaker.

MR. SPEAKER: The hon. the Minister of Culture, Recreation and Youth.

MR. SIMMS: Mr. Speaker, in response to a question posed by one of my colleagues a few moments ago, when he said, 'What is all this fitness stuff?', I wish to inform the hon. House that beginning on Sunday, May 13, and running through to May 21, 1984 millions of Canadians will be participating in a unique nine-day celebration known as National Physical Activity Week.

National Physical Activity Week is a major promotional campaign designed to stimulate greater participation in physical activity. In keeping with the first National Physical Activity Week, launched in 1983, this year's campaign will again feature a number of nation-wide mass participation projects sponsored by national and provincial health and fitness associations, provincial governments and Fitness Canada.

Mr. Speaker, in Newfoundland and Labrador last year approximately 60,000 people were involved in numerous events during that particular week and this year we anticipate an even greater participation; somewhere between 70,000 to 100,000 Newfoundlanders and Labradorians will participate.

An enormous amount of volunteer work has gone into this campaign, with over 3,000 volunteers helping out. There are thirteen towns that are hosting week-long events during National Physical Activity Week, along with fifteen provincial Health and Fitness Associations, and over 50 small, individual

MR. SIMMS: communities that are also hosting their own singular events.

My department has been co-ordinating the national and provincial projects with these provincial associations and the above groups, ensuring that as many people as possible get out and become active during National Physical Activity Week, 1984.

Even some provincial government departments have taken the initiative and are participating in various projects throughout the week.

The success of National Physical Activity Week can only be made possible by the dedicated work of these numerous volunteers and various associations and groups. And, indeed, it is because of their volunteer activity that I have agreed to make this statement this morning to help promote that particular activity.

As the Minister responsible for Fitness, Mr. Speaker, I want to urge all hon. members and, indeed, all the people of Newfoundland and Labrador to take part in as many events as possible during the week of May 13 to 21.

Now, as part of the hon. members of this House commitment to fitness,

MR. SIMMS: I hereby challenge all members of the House of Assembly to join with me Monday morning, 9:15 A.M. in the lobby of Confederation Building for the kick-off of a very special project known as Stairway to Health. The idea will be to climb as many stairs as possible and to avoid elevators during National Physical Activity Week. So I look forward to seeing all hon. members there 9:15 Monday morning.

SOME HON. MEMBERS: Hear, hear!

MR. SIMMS: I might add, also, wherever hon. members -

AN HON. MEMBER: Avoid all elevators.

MR. SIMMS: That would exclude the private elevator, of course.

MR. SIMMS: - may be during National Physical Activity Week, I want to urge them to contact their town office Recreation Department or my own office and get personally involved with this unique fitness celebrations. Consult your television, radio and newspaper for the schedule of events in your area. I have a badge for everybody, you will be happy to know, including the press.

And to conclude my statement, Mr. Speaker, I want to quote a bit of philosophy from a famous Greek philosopher who once said 'Fitness is not only a state of mind but also a state of motion'. So, as that familiar line on television says, 'Don't just think about it/ Do it, do it, do it!

SOME HON. MEMBERS: Hear, hear!

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

MR. WARREN: Mr. Speaker, when the Minister of Culture, Recreation and Youth (Mr. Simms) such as this, one cannot help but get up and support it. I believe, Mr. Speaker, while the statement may have been made in a light-hearted mood,

MR. WARREN: there is also a serious connotation, because I believe we are all too dormant, we are all sitting back on our laurels too much and not doing enough activity.

In fact, the Department of Public Works has a man who holds an elevator for us on the floor where our offices are to bring us up here.

MR. SIMMS: At your request.

MR. WARREN: Mr. Speaker, why do we not use the stairs more often? Mr. Speaker, I would like to say one thing; the minister challenges us at 9:15 A.M. on Monday morning. I do not think that is good enough, Mr. Speaker, because I think we have 9:15 until 3:00 o'clock before we come into the House, and we have lots of time to get our breath. So why do we not start 2:45 P.M. on the main floor and come all the way up the stairs to the House of Assembly and we will be here by 3:00 o'clock. Then we will see who has the stamina to get from the main floor up to the House of Assembly before 3:00 o'clock. That would be a challenge for all members. As the hon. member said, if the House then sat at 3:00 o'clock,

MR. WARREN: probably the Speaker would say, 'We cannot start the House because we do not have a quorum; half the members are somewhere between the main floor and the tenth floor of Confederation Building'. So, Mr. Speaker, I will take the minister up on his challenge. Furthermore, I feel that I am in such good physical shape that at any time I will race up the stairs with any member in this House.

MR. SIMMS: Mr. Speaker, I would just like to respond to something there.

MR. SPEAKER (Russell): Order, please!
Does the hon. member have leave to respond?

SOME HON. MEMBERS: By leave.

MR. SPEAKER: The hon. Minister of Culture, Recreation and Youth.

MR. SIMMS: I would not want to detract from the project that this group has organized for 9:15 Monday morning, so I have to emphasize that the project is at 9:15 a.m. Monday morning, but we can also be here at 2:45 p.m. and join the hon. member for Torngat Mountains (Mr. Warren) at 2:45 p.m. in the lobby, too, and do that as well, but 9:15 a.m. Monday morning is the biggie.

ORAL QUESTIONS

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

MR. WARREN: Mr. Speaker, I would like to ask the Minister of Education (Ms. Verge) a question, and if the minister wishes to pass it to the Minister of Labour and Manpower (Mr. Dinn) it is okay with me because it does have to do with employment and education combined. I understand this year many of the graduates from Memorial University, in particular in the Engineering Department, are having difficulty in finding employment. Could the minister advise the House if she has had any concerns expressed by the graduates from Memorial University concerning employment this year?

MR. SPEAKER: The hon. Minister of Education.

MS. VERGE: Thank you, Mr. Speaker. I will be happy to field this question and make some comments and, with the consent of the members opposite, perhaps I can turn it over to the Minister of Labour and Manpower. In fact, I have not been approached by graduates of Memorial University this Spring with expressions of their concerns about finding jobs. However, I do understand, and I was apprised of this in a direct way last year, that students in co-op programmes, in particular Engineering and Business, who have to find employment to fulfill their work term requirement for graduation, have had a lot more.

MS. VERGE:

difficulty finding jobs to satisfy those work term requirements over the last couple of years. However, the administration of the university, the personnel at the university who try to find these work term placements, have been quite innovative and I do understand that through a lot of effort on their part, as well as a lot of effort on the students', most of the students last year, at any rate until now, were able to find jobs to fulfill their graduation requirements.

MR. WARREN:

Mr. Speaker.

MR. SPEAKER (Russell):

The hon. member for Torngat Mountains.

MR. WARREN:

Mr. Speaker, I have another question for the minister. Has she any statistics or any indications that many of the students within the past two or three years are out in the job market but are unable to find suitable jobs and subsequently are returning to university or to trade schools for some other further degree or further education? Has the minister any statistics on what the students were doing, say, two years ago or three years ago and one year ago? If they cannot find a job, are they, for the sake of doing something, going back and getting a higher education?

MR. SPEAKER:

The hon. Minister of Education.

MS. VERGE:

Mr. Speaker, I do not have those statistics in my head although I would think some data to indicate the incidents of what the hon. member describes would be available from the post-secondary institutions and perhaps officials of my department.

It does seem that there have been many such cases. It also seems from the data available that people with the advantage of post-secondary study, with

MS. VERGE: university degrees and technology diplomas, have a much easier time getting employment than those with inferior formal education requirements. So clearly there does seem to be a big advantage to people in finding jobs and also finding jobs that are suitable for them and fairly well-paying to embark on post-secondary study.

MR. WARREN: Mr. Speaker.

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

MR. WARREN: Mr. Speaker, another question to the minister: In view of the fact that there are so many young Newfoundlanders and Labradorians attending trade schools, vocational schools, and the university, and

MR. WARREN: getting their diplomas and their degrees but unable to find suitable employment, is it a futile attempt for those young Newfoundlanders and Labradorians to continue spending thousands and thousands of dollars to get a reasonable education and then be unable to find employment in the market? How does this affect the policy of this present administration when we have so many people graduating without employment.

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

MS. VERGE: Mr. Speaker, as I already indicated in my answer to the previous question, it is felt by this administration, with the benefit of research and statistical information, that while in the present economy finding employment is more difficult than it was a few years ago for that one narrow purpose, it is still tremendously beneficial for the people to have university degrees, technology diplomas and vocational training certificates. Higher education does give people competing for jobs a big edge over those without equivalent university, college or vocational school education. And higher education in the view of this administration has more than that purpose. It has as a fundamental purpose aiding people in their self development, aiding people in their pursuit of a productive, meaningful and happy life. It benefits people in the part of their lives outside the paid workplace, which is becoming an increasingly big part of people's lives with changing technology.

MR. BARRY: Mr. Speaker, I would like to direct a question to the Minister of Finance (Dr. Collins).

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Tape No. 1526

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MR. BARRY:

This is concerning correspondence
that I have received from individuals who have to purchase
medical supplies, specifically

MR. BARRY: these are supplies required for diabetics. One gentleman says that his regular supplies in one month totalled about \$130. In addition, he purchased a machine, for checking his blood sugar levels, costing \$220, so his total expenditures for one particular month was \$350. On that amount, he was required to pay provincial tax.

Now, I wonder if the Minister of Finance (Dr. Collins) has obtained representation and what the situation is at the present time with respect to provincial sales tax on the various diabetic supplies. I know the matter has been raised before with respect to other forms of medical equipment or medical supplies, but, specifically, has the minister received representation concerning various items required by diabetics and is he prepared to see that provincial sales tax is removed where it might exist now with respect to these medical supplies?

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

DR. COLLINS: Yes, Mr. Speaker, we have received enquiries and suggestions along that line and I have already written, in one instance, about it and I am in the process of having another letter composed with regard to another enquiry. But, in essence, Mr. Speaker, we have already taken care of that situation. Hon. members will recall that in the budget - I just cannot put my finger right on the comment now - but in the budget we did exempt a fairly wide range of medical equipment and medications, and that type of thing, which patients suffering from relatively chronic diseases use themselves in the home. We exempted that from retail sales tax. And I believe that, if not the total range,

DR. COLLINS: the significant range of equip-
ment and medications have applied to diabetics; it came
under those deductions. And, if there are any other
ones that we have inadvertently overlooked - I do not
believe we have, quite honestly - but if there are any
that were inadvertently overlooked in the published list

DR. COLLINS: that has been sent out, I will be glad to receive information along that line and we will do whatever we can about it.

MR. BARRY: Mr. Speaker.

MR. SPEAKER (Russell): The hon. the member for Mount Scio.

MR. BARRY: I will pass this on to the minister, Mr. Speaker, but there are a list of items ranging from a glucometer PCK, which presumably is the instrument for measuring glucose or blood sugar levels, there is an instrument called an autolet, they are disposable swabs, visidex, dextrostix and many other items. Would the minister assure this House that he will take a look at whether the exemptions that presently exist as brought in in the recent budget - and the minister is to be complimented, and his department, for bringing in the exemptions which are there now - but would the minister check and ensure that these exemptions go far enough in dealing with these necessities of life for diabetics and other medical patients?

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

DR. COLLINS: Mr. Speaker, yes, I can certainly give that unequivocal undertaking, but I do want to reiterate that I think we have already covered that list that the hon. member mentioned. These exemptions were put in the budget, of course, upon recommendations coming forward from the Department of Health, and I am sure that the Department of Health took considerable care in trying to cover all significant items, but I certainly will have the list reviewed and we will do what is necessary if there is anything that was overlooked, which I really do not think there has been.

MR. WARREN: Mr. Speaker.

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

MR. WARREN: Mr. Speaker, I have a question for the Minister of Rural, Agricultural and Northern Development (Mr. Goudie). I understand that a German research vessel called the Polar Stern will be doing some kind of research work North of Main. Maybe this question could have been directed to the Minister of Development (Mr. Windsor). But I noticed in today's paper it said that the LIA would be meeting with the Minister of Rural, Agricultural and Northern Development because they are quite concerned about what this ship will be doing from Main to Davis Inlet. Does the minister have any idea of what this ice research vessel will be doing in that area?

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

MR. GOUDIE: Mr. Speaker, no, I do not have any knowledge of what this particular vessel will be doing in the area in terms of research. Neither do I have a request, up to when I left the office this morning, for a meeting with the LIA, other than a request to meet in June month with a combined effort of the LIA and the ICNI, dealing with aboriginal matters under the Constitution. Other than that, I have no knowledge.

MR. WARREN: Mr. Speaker.

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

MR. WARREN: Mr. Speaker, a supplementary question to the minister. I would like to ask the minister if this research vessel is carrying on some experiment pertaining to bringing liquified gas and other petroleum products down through the Davis Strait and down along the Labrador Coast? If this does tie in with the hearings that were held in Nain about a year and a half ago, will the minister be making representation on behalf of the people who are very concerned that it may disrupt their traditional way of life?

MR. GOUDIE: Mr. Speaker.

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

MR. GOUDIE: Mr. Speaker, it is difficult to address one's self to not just hypothetical questions, but questions dealing with hypothetical situations.

MR. GOUDIE: If the experimental vessel up there is carrying on work relating to the shipment of gas or oil or whatever, then, obviously, we would have a concern about that. We have already expressed our concern, I think, a couple of years ago, in relation to the possibility of transporting natural gas, at least, down through the Labrador Sea to other markets in the world.

My colleague, the Minister of the Environment (Mr. Andrews) would certainly have an interest in that. What I will undertake to do, Mr. Speaker, is make some enquiries to find out specifically what this vessel intends to do. Perhaps it is related to the fishing industry. I have no idea, no knowledge at all. As I have said, there has been no request from the LIA at this point, not to meet with me, anyway. But I will make enquiries into the matter and I will advise the House, probably next week, now.

MR. WARREN: Mr. Speaker.

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

MR. WARREN: Mr. Speaker, a short supplementary to the Minister of the Environment. I would ask the Minister of Environment if his department, to his knowledge, has been contacted by the operators of this German vessel, or by the Department of External Affairs, which, I understand, has chartered this vessel? Has the minister been contacted by any of those people?

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

MR. ANDREWS: Not to my knowledge,
Mr. Speaker. I will take the question under advisement and check with my department, but I know nothing of this vessel. It could be, of course, for many, many reasons from fisheries to ice research.

MR. SPEAKER (Russell): The hon. member for Mount Scio.

MR. BARRY: In the absence of the Minister responsible for Energy (Mr. Marshall), who has stepped out somewhere, I would like to direct a question to the Minister of Finance (Dr. Collins). With respect to the references by the Minister responsible for Energy on this so-called Nova Scotia secret letter -

MR. WARREN: The minister is back.

MR. BARRY: Well, I will direct it to the Minister responsible for Energy now since he is coming back. I wonder if the Minister responsible for Energy would confirm as to whether this so-called secret letter is the same letter that I referred to, that was raised on an earlier occasion as well - I found one reference in Hansard on April 12? While the Minister responsible for Energy was going through the report on the Venture gas field and pointing out the conclusion that there was very little economic benefit to the Province of Nova Scotia, I pointed out that on the same page that he quoted there was an assumption there made with respect to a dollar for dollar loss on equalization. And I pointed out that Mr. Chretien, while he was down, had made a statement to the fact that there was a special agreement on equalization.

Is that agreement on equalization the secret letter to which the Minister responsible for Energy referred?

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

MR. MARSHALL:

The reference I made was not at the time referable to any statements made by the hon. member. It was only afterwards, because either I was not in the House at the time or I was not really paying attention to the full import of the question - I must have been in the House but that had escaped me - but as I had said before, of my making a reference to a secret accord between the federal government and Nova Scotia, that came to me from sources outside of this House and sources that I regard to be quite reliable, as I have already indicated in Question Period.

MR. MARSHALL: When we were into negotiations with the federal government, part of the agreement that was reached - of course, when I say 'the agreement that was reached' I mean the agreement that was reached before we went on to Montreal, when there was a complete reversal by the federal government as to its position - but the position quite definitively was that equalization would decrease in the same manner now as then provided in the Fiscal Arrangements Act. The thing is the present Fiscal Arrangements Act was to expire, if my memory serves me correctly, was to expire within about three to four years, and it was realized that development would not occur until after then and it had not been determined as to what would be the arrangement under a future Fiscal Arrangements Act. So it was agreed between us that this 15 per cent maximum reduction in equalization would continue to apply to the agreement. And it was represented to us that this had already been agreed with the Province of Nova Scotia.

Now, to my complete surprise - and, I think it is worthy of note, it came not through what the hon. member said in the House but through other sources outside the House - the actual reduction is 10 per cent, and then there is another separate agreement as well, or within the agreement there is a separate arrangement as to when - for want of a better word - the reduction could start kicking in, that this was, in fact, a secret accord between the federal government and the Nova Scotia government which was not put before us at the time but which the Premier of Nova Scotia was now anxious to have ingrained in future federal legislation.

MR. BARRY: Mr. Speaker.

MR. SPEAKER (Russell): The hon. member for Mount Scio.

MR. BARRY: Is the Minister responsible for

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MR. BARRY: Energy (Mr. Marshall) aware that
within a day or two, maybe even the same day, that this
report on the Venture development project was submitted and
released to the public

MR. BARRY: that Premier Buchanan of Nova Scotia made a comment to the press, which was carried in the press - I have not had a chance to check the reference which I referred to in this House of Assembly early in this session - where Premier Buchanan stated that there did exist an agreement between the Province of Nova Scotia and the Government of Canada which dealt with equalization in a way which saw less than a dollar for dollar reduction, and for that reason, Premier Buchanan pointed out, this report on the Venture development project, which the minister has referred to in a fashion critical critical of the Government of Nova Scotia, for that reason that report on the Venture project was flawed, and specifically the conclusion that the net impact to the Province of Nova Scotia was 'small to negligible'?

Was the minister aware that, in fact, far from it being a secret letter or a secret agreement, that Premier Buchanan made a public statement shortly after the release of the report on the Venture project?

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

MR. MARSHALL: Mr. Speaker, the report on the Venture project came out long after the negotiations that occurred between ourselves and the federal government. It came out long after the Minister of Energy, Mines and Resources for Canada, at that time the hon. Marc Lalonde, sent down to this Province, the day after it was signed, the agreement between the federal government and the Province of Nova Scotia, which he

MR. MARSHALL: Apparently there is in Nova Scotia, and here again I do not want to enter into Nova Scotian politics, but I am just repeating it from the point of view that there is a certain amount of ground swell of people there who feel that Nova Scotia should have acted with respect to its offshore in a more decisive, stronger way, kindred to the way the Newfoundland government has done it. And it was for this particular reason, in my understanding, that we now have this so-called secret accord being put to the public or being mentioned; number one, to try to diminish the adverse affects in Nova Scotia of that report on their agreement and, secondly, also for the purposes that Mr. Buchannan, understandably, in dealing with the present federal administration wanted this particular provision not now left to its secret accord but wanted it in legislation, so that was the reason. Now, whether it appears in federal legislation or not I am going to be very interested to see. I understand it has caused both the Premier of Nova Scotia, which is regrettable because what he wants to do is his own concern in his own Province, and the federal government, which is not regrettable because they are accountable in this since they have represented something to this Province and urged us to accept something and they were not dealing - and I say this again - fair and square with us. So I hope I have answered the hon. gentleman. It was after the venture agreement and that is the reason why it was put out of the venture agreement. I think the salient point in all of this is the fact that it is very highly regrettable that

MR. MARSHALL: in negotiations of this nature that the federal government presented to this Province and urged us to accept a deal giving us the Nova Scotian agreement and in effect saying, 'Look, this is all we have signed with Nova Scotia,' but they subsequently tried to get us to accept that Nova Scotian deal when they flip-flopped from Mr. Chretien's position. But I think it is very, very concerning, and it should be concerning for all people to know that whatever agreements with the province of Nova Scotia is both of their business, but when they represent to us that this represents and is the full and entire agreement and one that we should accept, and we find out afterwards that they did not give us all of the facts and all of the rest of it, it is a matter of deep and abiding concern for the people of this Province.

MR. BARRY: A supplementary, Mr. Speaker.

MR. SPEAKER (Russell): The hon. member for Mount Scio.

MR. BARRY: The minister's point is a valid point if that side agreement was entered into before January, 1983, which, I believe the minister would agree, would be the last time there was any significant discussions with respect to the offshore between himself and the federal minister.

MR. BARRY: My question is has the Newfoundland minister enquired as to the date when this side agreement was entered into between the Province of Nova Scotia and the federal government? Perhaps that was an agreement that was entered into since January of 1983, and perhaps it is something that, if the minister has stayed at the bargaining table with the federal minister, he might have either uncovered that information, or had the same offer made to him. And I am not saying that would be sufficient to make an appropriate agreement for Newfoundland, I would ask the minister if it is not a fact that if he had stayed at the table he would have established the date of that side agreement? As part of that question, I would also ask the minister what enquiries he made after this statement by Mr. Buchanan, which appears to have been in January, as to the contents of this agreement before deciding that there was no point in continuing the negotiations or resuming negotiations on the offshore, with the federal government following the decision of the Supreme Court of Canada?

MR. MARSHALL: Mr. Speaker.

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

MR. MARSHALL: As far as the date of the agreement, it is my understanding from the information that I have received, from what I consider to be a very, very reliable source, that this agreement had been entered into at the time, or around about the time that the Nova Scotia agreement was entered into itself, and that is what gives it its serious concern.

Now, I know the hon. gentleman is hung up as well, he is asking serious

MR. MARSHALL: questions here, and I am trying to respond in a serious manner to him, but he comes into the area 'if we had stayed at the table.' Well, we had stayed at the table for as long as we could stay at the table at that period of time. We were and remain prepared to go back to the table when people deal with us in good faith, when people are prepared to negotiate an agreement. And we had negotiated an agreement, let there be no doubt about it, Mr. Chretien and I had negotiated an agreement. It was he who said outside his office, after the sixth or seventh exploratory meeting between us, that all that remains to be done is to put the agreement in writing. It was he who told me, after he had put down the telephone after having an obviously acrimonious exchange in French, which, unfortunately, I do not speak, but you do not have to speak a language to know that it was acrimonious, it was he, himself, sitting down with me

MR. MARSHALL: who said to me, "That is, Lalonde. He is furious because he says, 'You have given everything away to Marshall in the negotiations.'" This was because he had seen the final agreement.

Now, Mr. Speaker, we had gotten an agreement and we had dealt with these people in good faith, as we always have. In dealing with them in good faith and knowing that we had an agreement, we gave them our bottom line. And the hon. gentleman know what our bottom line is but I always sum it up on the basis of equality - equal joint management and an equal chance with respect to revenue to see that the people of this Province, our young people particularly, get a chance to have an equal per capita earned income to the average of their counterparts in Canada. We had negotiated an agreement. I can feel for Mr. Chretien, he was put in an embarrassing position, and, instead of resigning, which, quite frankly, it would not have been necessary for me to do but I would have done it if I had been in exactly the same circumstances, he opted to stay in the Cabinet and to try to make the best of a bad deal. But the fact of the matter is, Mr. Speaker, we had seriously negotiated, come to and concluded an agreement, as the gentleman himself said outside his office, and that, 'It just remains to put it in writing.' Subsequently, a few days later, he refused to put it in writing but that is a matter of history. And during that period of time we had discussed these issues, including the equalization, and, as I stand here, it was represented to me that there was a 15 per cent reduction in equalization and that there was going to be a continuation of the present situation under the Financial Administration Act, notwithstanding the fact that it would have expired.

Now it is equally apparent to me
from

MR. MARSHALL: what I have heard from a very reliable source that that was not true, that it was not 15 per cent, it was 10 per cent, and that, I would suggest to the hon. gentleman and to everyone, is an extremely grave and serious situation when you are dealing in that manner.

MR. BARRY: What was the offer made with respect to equalization?

MR. MARSHALL: As I say, 15 per cent. It was the 15 per cent reduction. The same way as the hon. gentleman knows, the Fiscal Arrangements Act as it presently exists now reads 15 per cent. We were concerned when the agreement with respect to when the equalization agreement expires. I cannot pick the exact time now, within a year or two, whether it was 1987 or 1988 or 1989, the Minister of Finance (Dr. Collins) can respond to that. When that expired, the development of Hibernia would then be underway, and there might not be any agreement with respect to equalization, and we wanted that continued. We had an undertaking that it would be continued at 15 per cent and, at the time that we did it, it was our understanding that that is what had been agreed with the Province of Nova Scotia. Now, we find differently, and I say, and I repeat again, that this is a most ominous and serious situation. The hon. gentleman, in his question, indicates that the Premier of Nova Scotia released this after the Venture study. It is very consistent to me the reason why he released it after that report, because of the embarrassment over that report itself to try to show that the deal was better for Nova Scotia than the report stated. But I hasten to add, Mr. Speaker, that that 10 per cent would not in any way sweeten the deal for this Province

MR. MARSHALL:

to take the Nova Scotian agreement because the elements of equality are not there. But the whole point of the matter is, on a matter of deep concern to this Province, of real concern in the negotiations, we were not dealt with by an even hand and, as far as I am concerned, from that report that we got, it is quite obvious that we were not dealt with in good faith and we were not dealt with honestly. I do not say that with respect to the Province of Nova Scotia, that is

MR. MARSHALL: their concern and I want to emphasize that, but I am talking with respect to the federal government.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER (Russell): Order, please!

The time for the Question Period has expired.

ANSWERS TO QUESTIONS FOR WHICH NOTICE HAS BEEN GIVEN

DR. COLLINS: Mr. Speaker.

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

DR. COLLINS: Mr. Speaker, I wish to respond briefly and verbally to the hon. the member for Torngat Mountains (Mr. Warren), who yesterday, in my capacity as acting Minister of Health, asked me about two matters, the Salmonella outbreak in Central Newfoundland and, secondly, some restrictions placed on hospital visitations in Baie Verte in regard to a flu epidemic. In regard to Salmonella, there will be a fuller report available on Monday. Specifically I hope it will answer the hon. member's questions in regard to the cause, if the cause is determinable, and also the numbers involved. But I just want to say now in regard to the restrictions - in case there is some continuing concern about that - in regard to the restrictions, the restrictions have been lifted in Gander and the restrictions now are confined just to the pediatric ward in Grand Falls. Now whether one can take from that that the epidemic is declining I suppose is a matter of judgement anyway. That may be a reassurance to people who may be concerned about it over the weekend and so on until we have a chance to report more fully on Monday, but the restrictions have been lifted in Gander and are now just confined to the children's

DR. COLLINS: aspect of things in Grand Falls.

In regard to the flu epidemic in the Baie Verte area, the hon. member asked about the restrictions there, I believe they were put in place yesterday or the day before by the medical staff at the hospital. They will remain in effect for about a week and then it will be reassessed by the medical staff. In regard to the hon. member's question as to the seriousness of the thing, I think all I can say is that the medical staff did consider the incidents of influenza out there serious enough to place on visitation restrictions. They are not total restrictions, immediate relatives can visit but not the general public.

DR. COLLINS: But they will review the situation after about a week.

MR. SPEAKER (Russell): Before I call Orders of the Day, it is a pleasure for me to welcome to the galleries today thirty Grade XI students and three of their teachers from Appleton - Glenwood, in the district of Gander.

SOME HON. MEMBERS: Hear, hear!

ORDERS OF THE DAY

MR. MARSHALL: Motion 6.

Motion, the hon. Minister of Labour and Manpower to introduce a bill, "An Act To Amend The Shops Closing Act". Carried. (Bill No. 31).

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

MR. MARSHALL: Motion 1.

MR. SPEAKER: Motion 1, is the Budget Debate. It was adjourned the last day by the hon. member for Torngat Mountains (Mr. Warren), who has ten minutes left.

MR. WARREN: Thank you, Mr. Speaker.
Yesterday when I was speaking in the Budget Debate I did allude to several concerns that the members for Bonavista North (Mr. Cross) and Twillingate (Mrs. Reid) did not allude to, and that is the concern that this government and its members are taking towards Newfoundlanders and Labradorians.

Now, as I said yesterday, I do not believe the picture is as rosy as both members indicated yesterday, and I am sure within the next ten minutes there will be indications that it is not all rosy. I understand Dr. Tony Gushue, a dentist, who is I think the President of

MR. WARREN: the Dental Association or involved with the Dental Association, had meetings a few days ago with officials of this government, and their concern was the number of parents who are bringing their children into the dental office being required to pay 150 per cent increase over the fee that they had to pay last year. As Dr. Gushue said, this is causing much hardship to the many, many families in this Province.

I have to read what the Minister of Finance (Dr. Collins) said in his opening Budget remarks under The Children's Dental programme. Here is what he said on page 12. He said, 'Government is very proud of its ongoing programme of providing subsidized dental care to children up to the age of 13'. Now he said, the government are pretty proud of this. I think the government should be proud

MR. WARREN: that they were doing a subsidized dental care programme for children. He said he was very proud of it, and then in the next sentence he said, "However, I am going to jack the price up from \$2.00 to \$5.00." Now that is what he is proud of. He is proud because we are doing a subsidized programme for the children in this Province in dental care. "However," he said, "I think they have had enough of it. I am going to jack the price up 150 per cent." Why did not the hon. member for Bonavista North (Mr. Cross) yesterday say something about that. I am sure there are children in Bonavista North, I am sure there are children in Twillingate. No, all the two hon. members decided to do was pat the Premier on the back, saying what a good government it is, and kick Ottawa. Why does not once in a while the backbenchers stand up, like the member for Bay of Islands (Mr. Woodrow) who spoke the other day about the Tory Administration, and talk about the things that this government is doing that is hurting the people of this Province. I believe, Mr. Speaker, regardless of what party you belong to, why do you have to toe the party line? You were not elected to toe the party line by certain people in this Province. Nobody was. You were elected by the people to speak up for the people, to speak up and be counted, neither one of those two members I heard yesterday spoke up and condemned this government on the dental programme. They said it was all Ottawa's fault - everything that is happening is Ottawa's fault.

Mr. Speaker, we need members in this House, backbenchers or Cabinet Ministers alike, who can stand

MR. WARREN: up and support the people who went to the polling booths on April 6 and gave the members the opportunity to come in this House and work on their behalf. It is high time for them to get up and be counted.

Mr. Speaker, look at Municipal Affairs again, whose dealings with the municipalities are causing hardship to over 300 communities in this Province. And then the Minister of Finance (Dr. Collins) goes on and says, "I am pleased to announce that as of midnight tonight" - what was the date? Let us see, March 20 - "as of midnight tonight retail sales tax will be removed from all manufacturing capital equipment." Now, Mr. Speaker, there are not too many people in the small coves and inlets in this Province who are worried about the taxes coming off capital equipment, they are worried about the taxes on clothing. They are worried about the 12 per cent that this government has placed on clothing in this Province. They are worrying about the 12 per cent sales tax; even if they go and get a lunch in a restaurant they have to pay taxes on it. Where were the two members yesterday? Were they talking about the sales tax? No. Again they were talking about Uncle Ottawa, Mr. Speaker. I believe it is high time that the hon. members speak up and be counted. Where were the hon. members yesterday when we were talking about numerous other things?

Mr. Speaker, before I go any further, I have to laugh at this one. I only have four or five minutes left, but, Mr. Speaker, I am sure the Minister of Rural, Agricultural and Northern Development (Mr. Goudie) is going to get up and chastise me. However, on May 9 the Minister sent a Telex to the Minister of Fisheries and Oceans, Pierre De Bane, saying he was protesting against

MR. WARREN:

the hunting regulations which provides that seals can only be hunted with a shotgun or a rifle with an 1,100 foot-pound muzzle energy. Now what he meant was that he was objecting against the hunting regulations that you use a shotgun or a high-powered rifle.

Now, Mr. Speaker, he sent that telegram on May 9, 1984. Now have a guess when that policy came into effect? Would you think it was March 9, 1984 that it came into effect? Mr. Speaker, talk about a minister being asleep for the last eight years! That policy came into effect in 1978. In 1978 the policy came into effect and here on May 9, 1984, exactly six years later, the minister decided to send a telegram and say the policy is wrong. Mr. Speaker, the minister was a minister in 1978, he was a minister of the government of Mr. Frank Moores, I believe. Surely goodness he could have requested a change then. And, Mr. Speaker, he can request the change now, by all means. I disagree with the policy, too. For some reason, it is the same thing with the fishery policy. The minister came in about a month after the telegram went and again said let us do something about it.

Now, Mr. Speaker, in my closing remarks - I am sure I am going to be given leave to continue for the next half an hour -

SOME HON. MEMBERS:

Oh, oh!

MR. WARREN:

Mr. Speaker, I would like to beg this government and beg its people that if we want to see Newfoundland and Labrador survive, if we want to see the people in Newfoundland and Labrador receiving a just position in society, then I believe that it is useless, it is pointless, for a backbencher on that side to listen to the Premier or chase the Premier around and hold on to his coattails. Why do you not take a leaf from the member for the Bay of Islands

MR. WARREN:

(Mr. Woodrow)? I will just call him 'Lukey' for a moment, my hon. friend, my good friend from the Bay of Islands, but if he can get up and say that the government is not doing enough for tourism, surely goodness the member for Bonavista North (Mr. Cross) and the member for Twillingate (Mrs. Reid) and the member for St. John's Centre (Dr. McNicholas) and the member for Burin - Placentia West (Mr. Tobin) can get up and say, 'Look, we want this dental care plan changed. We want this government to assure -

MR. HODDER:

Every year they try to wipe it

out a little more.

MR. WARREN:

Mr. Speaker, in my closing

remarks I am quite pleased to see students in the galleries and many of them, I am sure by looking at them, are less than thirteen years of age. And I know that the parents of those students, in order now to go and get their teeth examined by a dentist, are going to have to cough up 150 per cent more than they did last year. And I think

MR. WARREN: it is a shame that this government will allow the parents of such people, the future of this Province such as are in the gallery today, that their parents will have to pay 150 per cent more for dental care in this Province from now on because of this budget that the hon. Minister of Finance (Dr. Collins) has brought in to sock it to the people of Newfoundland and Labrador.

AN HON. MEMBER: Hear, hear!

MR. SPEAKER (Aylward): Order, please! Before I introduce the next speaker, I would like to welcome to the galleries eighty grade V students and four teachers from Macdonald Drive Elementary School in St. John's.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Shall I call the question?

SOME HON. MEMBERS: Call the question.

MR. SPEAKER: Is it the pleasure of the House to adopt the amendment moved by the hon. Leader of the Opposition (Mr. Neary) and seconded by the hon. member for Fogo (Mr. Tulk)? All in favour 'Aye', contrary 'Nay'. I move that the amendment is defeated.

I call the main question on the budget.

MR. CARTER: Mr. Speaker.

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

MR. CARTER: Thank you, Mr. Speaker.

I think it is time perhaps in this debate to talk about principles for a change. There has been an awful lot of talk about policy but, I think, perhaps our policy is determined by our principles and therefore it is perhaps worthwhile to talk about principles for a change.

MR. CARTER: I make no apology for being a Conservative. I am sometimes looked upon as an arch Conservative, I am as Conservative as it is possible to be, I think, and I think it is a very defensible position. I do not think I need to defend the position but I think it does not hurt from time to time to restate what Conservatism stands for certainly in this Province and certainly as I understand it. And I will be very interested to see to what extent my remarks are concurred with both on this side and on the other side. It is true that I hate Liberals; it is perfectly true, I really do. I have nothing personal against them, it is a much larger issue than that, but I do hate Liberals and Liberalism. Because I regard Liberalism now although possibly in the 19th century it was a workable philosophy, I believe that it is now a bankrupt philosophy. It has degenerated into a mere stratagem for winning elections.

MR. PATTERSON: In Newfoundland particularly.

MR. CARTER: In Newfoundland particularly, as the hon. member for Placentia (Mr. Patterson) just said.

MR. BUTT: Bribe them with their own money.

MR. CARTER: Bribe them with their own money, promise them anything but get the government, get the government at all costs. So what is my stand as a Conservative and what are Conservative principles? Well, there are eight of them in my view. These are principles that I have taken from other authors who have written on the subject, and to me they make very sound sense and I certainly agree with them. There are eight Conservative

MR. CARTER: principles that I think are worth enunciating. The first is that a Conservative philosophy is not a doctrinaire philosophy. We believe in evolution and not revolution. That is to say that change should come about gradually and slowly, and, in fact change will always occur. There is no way to stop change and therefore allow change to come

MR. CARTER:

about naturally and slowly, in evolutionary process, and not try and throw out the baby with the bath water.

The second principle is that we are the trustees of our heritage, we are the trustees of our Province and not the owners of it, and it is our duty to transmit our heritage to our successors at least in as good a position as it was when we found it. That is to say, if we give away our resources now, we are betraying our descendants and, therefore, the people who went before us and gave away the Labrador power, and those who are prepared to give away the offshore are not being good trustees of our heritage.

In that regard, Mr. Speaker, although it would be a symbolic gesture, this Legislature had a great deal of power and I think it will be a very worthwhile gesture at some point of looking here at a map of Labrador and the Churchill Falls catchment area. Apparently the reservoir is called Smallwood Reservoir, and I think it is high time that was changed, because that is a continuing insult to Newfoundland, bearing in mind that it was the former Premier Smallwood who gave away Churchill Falls power to Hydro-Quebec until the year 2024. I may be alive to see that contract expire, I will be ninety-one, and if ever there was an incentive for me to live to be ninety-one, I will tell you I will grit my teeth and bow my head and just keep on living.

So that is the second principle, that man is the trustee of his heritage. The third principle is that Conservatives believe in incentives. Those who work harder, those who contribute more should receive more. I do not think Conservative philosophy, certainly the Conservative philosophy that I adhere to believes in a levelling doctrine whereby people, regardless of their effort, will all receive the same amount.

MR. CARTER: The fourth principle is that freedom is enhanced through the diffusion of power. It is no good saying that you can have freedom if you do not have an alternative. If, for instance, everything is controlled by the state, then what possibility is there to have any freedom to dissent. And a very good example of this is Winston Churchill in the 1930s. He was refused permission to speak on the government owned BBC in order to warn people of the danger of Hitlerism. He was certainly free to speak in the House of Commons, in fact, he was an elected member of Parliament, but he was not given permission to speak on the BBC during the 1930s. At that time he was a backbencher. He did not become Prime Minister until 1940, when the danger was all too apparent. But

MR. CARTER:

during the period when a good public debate might have made all the difference, certainly would have made all the difference, he was refused permission, and I suggest that a government that controls everything will not be open to the dissenting opinions of outsiders. I think it is the people who dissent who are probably our greatest friends and our greatest benefactors and, in that sense, Mr. Speaker, I think that a good Opposition is probably a very worthwhile thing, but, unfortunately, we have not seen a good Opposition in this House since 1971 and it is just too bad. Perhaps ten of us should just cross the floor. One of us could be Leader of the Opposition and another could be House Leader and we would take away these ridiculous salaries from those drones over there and run a decent Opposition.

SOME HON. MEMBERS: Hear, hear!

MR. CARTER: The questions then, Mr. Speaker, to the minister, could be: Why is the minister doing such a good job? Why is the Premier such an excellent Premier? Why is the Minister of Finance so wise? - sensible questions like that.

SOME HON. MEMBERS: Hear, hear!

MR. CARTER: But seriously, government is not the first place to look for solutions; in other words, do not go spoon-feeding, encourage people to find their own solutions first. Government cannot do and should not try to do everything. Number six: 'Those who challenge institutions, not those who sustain them, must justify their position.' In other words, it is up to those who feel that there is something wrong with society

MR. CARTER: who want to change it, to offer their argument. 'The institutions that we have very often are the result of an accumulated long-term wisdom and should not be thrown aside. We should not have to defend our institutions. So those who want to change things, let them prove it rather than those who sustain them.

The seventh principle is that the duty to country is more important than the duty to any one single faction and, therefore, the adherence one may have to a particular section or particular geographical part of the country should not be as strong as one's adherence to the country as a whole. And, of course, it is getting harder and harder to be good Canadians when the Central Government at Ottawa is constantly kicking us in the face. This, I think, is a great pity and I would hope that rather than blame Ottawa, we would blame the individuals concerned. It is far better for us to blame the Lalondes and the Chretiens and the Trudeaus of this world than to make a blanket denunciation of Ottawa, because that only will interfere with the feelings of loyalty that we should have as Canadians in the whole Canadian system, and I think it works counter to good Conservative principles.

The eighth principle, that I think is probably the most important of all, Mr. Speaker, is that it is possible to pay too high a price for political power. If the price of getting elected means that we have to give away our resources, it is not only better that we were not elected, I would suggest it would be better if we had never been born. And, unfortunately, we have seen that happen.

MR. CARTER: Although it did not work, it did not help the Smallwood regime one bit to give away the Churchill Falls power, nevertheless this was his intention, it was his intention to create a flurry of jobs at any cost and to hope that this would return him to power and in that context he hurried up the Churchill Falls programme, gave away the power, signed anything, the first thing he could possibly sign he signed, gave it all away, had a flurry of jobs, it still did not help him because I think a lot of people saw through him.

Now those are the general Conservative principles that I adhere to, but I think it is important that the electors should know how an individual politician works, what he thinks is important. I think all those are generally important but I do have some particular concerns of my own. One of my most particular concerns is one about the difficulty of individuals owning land in this Province. I think it is a great mistake, I think it is very shortsighted on the part of our administration to make it impossible for individuals to own large tracts of land in this Province. Now I know - and I am not the only person who knows him - I know an individual in this country who has a small holding on the Southern Shore, I do not think there is a tree within sight of his cabin and yet he dearly loves it and spends as much time down there as he possibly can. I am sure that that gentleman would like nothing better than to own fifty or a hundred acres of that area. He cannot get it. I do not suggest he has tried. I think probably he is aware that it would be no good for him to try. It is not agricultural land, he cannot even get an agricultural lease and the government is unwilling to give him a grant. Not all of the land in Newfoundland is agricultural and yet it is felt by many to be desirable

MR. CARTER: to own large tracts of land. .
The government disagrees. They say, 'No, if you start parcelling out the land like that people will just sit on it, you will have absentee landlords.' My response to that is that I think the individuals would be prepared to buy land from the government, they would be prepared to put up with any kind of zoning and if necessary even to pay a tax on it to prevent people from just sitting on land and leaving it idle. I think it is wrong and wrongheaded of the government to prevent individuals from being able to get hold of, and to hold responsibly, Crown land or land that is now held by the government. Proof that the government is not doing a good job with the land that they do hold is the tremendous amount of spruce budworm damage that has occurred all over Newfoundland. I say, as a small land holder myself, that a spruce budworm would have a short life on my place because if necessary I would spray it with whatever I had to spray it with to get rid of it and if I had to cut down the trees and make a bonfire of them I would get rid of it. But if the land in Newfoundland were privately owned, owned by responsible individuals, I would say that budworm infestations and forest fires and general neglect of property would be a thing of the past. In these straightened economic times I cannot think of a better long term policy for our government than to encourage the private ownership of large tracts of land. That is where I stand. I have believed this ever since I could first think, I suppose, and I do know the joy and the pleasure of owning a few small acres of land and working at it is probably

MR. CARTER:

one of the greatest joys that a person can have, in my own personal opinion. And I think further, that I would rather see this state of affairs come about than to see six Churchill Falls and three Hibernias successfully come about. So this is what I think and I think it very strongly.

Now having made statements and offered some opinions, it is perhaps time for a few facts. And I have a few facts to give out. The Labrador Churchill Falls power is 5500 megawatts.

MR. CALLAN:

A quorum call.

MR. SPEAKER (Aylward):

Order, please!

We have a quorum call by the hon. member for Belleyue.

MR. CARTER:

We have a quorum, do we not?

No quorum?

MR. SPEAKER:

Call in the members.

QUORUM CALL

MR. SPEAKER:

Order, please!

There is a quorum present.

Is it agreed to continue?

SOME HON. MEMBERS:

Nay.

MR. SPEAKER:

NO, it is not agreed.

MR. CARTER:

It is not agreed.

MR. SPEAKER:

You have to wait another

two minutes.

Order, please! The time

has elapsed.

There is a quorum present.

The hon. member for St.

John's North.

MR. CARTER: I would like to end my few remarks, Mr. Speaker, with a few facts, which is perhaps unusual, it is not unparliamentary, I do not think, to bring a few facts to bear in debate. It is unusual but not unheard of.

The Churchill Falls power total capacity, Mr. Speaker, is rated at 5,500 megawatts. The Lower Churchill, if it were to be brought into play would be around 1,700 megawatts, Muskrat would be about 800 megawatts; Twin Falls is about 225 megawatts; and the miscellaneous certain headwaters that are shared with Quebec would be about 1,000 megawatts, giving us a total on Labrador of 9,225 megawatts. In Quebec, James Bay is estimated at 16,000 megawatts, other underdeveloped sources at about 3,000 megawatts, other developed sources at around 10,000 megawatts for a total of 29,000 megawatts or, combining the two, Labrador and Quebec power both potential and actual, gives us a total of 38,000 megawatts. And if 5,000 megawatts are worth \$800 million per year, then 38,000 megawatts are worth something like \$6 billion a year, or roughly the equivalent of 240 million barrels of oil per year and that is at 65 per cent load capacity. And when you remember, Mr. Speaker, that it is now the fashion to charge customers more for capacity than for actual use, and in any case always to mix the capacity charge with the use charge, then we are talking about possibly an equivalent of 3 million to 4 million barrels of oil per year in perpetuity and even Hibernia going full steam would never bring in this amount per year. So we are talking about an enormous potential. And I think it is tragic that Quebec and Newfoundland cannot get together and negotiate a sensible agreement for power because the incentive is certainly there. And I do not blame our government, I think the President of the Council (Mr. Marshall) at the

MR. CARTER: end of Question Period today outlined in no uncertain terms that it was just impossible for him to deal with the present crew in Ottawa. But that crew are about to change in one way or another. I hope they change to a Conservative stripe. But in any event even the Liberal stripe is going to change and going to change dramatically.

MR. CARTER: I hope that maybe as a result of the pressure that these figures must put on Quebec and Newfoundland that an eventual settlement, very, very beneficial to both parties and to North America as a whole, will come about.

An... before I sit down I would like to welcome all the young people to the galleries and say that although some people suggest that laws are like sausages, it is better not to see how they are made, I think perhaps it is.

Thank you very much.

SOME HON. MEMBERS: Hear, hear.

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

MR. WARREN: Mr. Speaker, I was trying to finish my remarks this morning on the vote of nonconfidence that we moved and in fact, Mr. Speaker, we were so kind to the hon. gentlemen opposite that the hon. minister attempted to get up but he was too ashamed to speak. So therefore, Mr. Speaker, that is why my hon. colleague for Bellevue (Mr. Callan) did not speak.

MR. SIMMS: The young people in the galleries are more important.

MR. WARREN: Yes, Mr. Speaker, I agree with the hon. minister that the young people in the galleries are more important. Because, Mr. Speaker, the hon. minister brought in a Ministerial Statement -

MR. SIMMS: You are misleading people.

MR. SPEAKER: Order, please!

MR. WARREN: Mr. Speaker, I like to be heard in silence.

The hon. minister brought in a Ministerial Statement today that does affect the young people as well as the old people because, as the minister said in his Ministerial Statement, starting next week we have, I think

MR. WARREN: it is called, National Physical Activity Week , and I am sure that we are going to see all those young people in the galleries this morning, as well as ourselves, as well as the older people showing that we are not losing the stamina that we had years ago. I remember when I was going to school, Mr. Speaker, that almost every single day - in fact, it is a good thing that the hon. member for Bonavista North (Mr. Cross) spoke because he was my teacher; the hon. member was my teacher back in 1956-and I lived about a mile and a quarter from the school , and every single day I would walk or run from school to the house, not only going and coming once but go back for lunch and come back again. And I would bet, Mr. Speaker, not 10 per cent of the students, the boys and girls going to our schools today, have that exercise of going to and from school if it is a mile or more because we have the school buses that pick them up and drop them off. And I am afraid, I would like to say, Mr. Speaker, it is our government that has brought the school bus into being. I am afraid that, although it is a great help in our educational system in getting our school children to and from the schools, one thing it is doing is that it is making us a little more lazy because it is not giving us the initiative to walk or run,

MR. WARREN:

because we have the school buses, they know the school buses are going to be there to pick them up and drop them off. So I believe at least once a week, especially from May 13 to 23, which is next week, at least one day next week all the school boards in the Province should say to the children, "For Physical Activity Week let us walk to school, or let us walk home." I know now the students are going to say, "No way!" But I believe that would be a good move, it would be a good move on behalf of the students to show that the school buses are not going to stop us from doing our real physical activity, although I am sure in school we have the gymnasiums and things like that. So, Mr. Speaker, we have to show that we are in as good physical health today as we were when the hon. member for Bonavista North (Mr. Cross) was a teacher.

Now, Mr. Speaker, I want to get back to some other things and one is a concern that I have which has been expressed by employees of the Motor Registration Division.

MR. SIMMS:

What is that?

MR. WARREN:

I want the hon. Minister of Finance (Dr. Collins) to hear this because it is very important. The Department of Transportation is one of the highest spenders of public money in the government. Mr. Speaker, the reason I am bringing up this is that on two occasions now I had the opportunity, and it is a very legitimate concern. I had the opportunity of visiting the Motor Registration and when you go into the inner office there is a switchboard there and there is one girl working at the switchboard. And the phone, Mr. Speaker, is continually

MR. WARREN: because, Mr. Speaker, there are customers throughout the Province of Newfoundland and Labrador who need answers they are unable to get under the present system.

Mr. Speaker, in the budget, the minister announced a lot of dollars for school construction. In fact a few nights ago, I attended a meeting of the Mount Pearl Central High School. They have this coming year some 1,200 to go into that school and they have the classroom facilities, Mr. Speaker, but it is impossible for one gymnasium to take care of the needs of those students. In Conception Bay South the schools are overcrowded.

Mr. Speaker, in my district of Torngat Mountains, in the town of Nain, we have students who are being taught in the school corridors. There are no desks for them. They are sitting on the floors in the corridors as a result of overcrowding.

So I believe if this government wants to spend money, let them spend it on school construction and make sure that the school children, the men and women of tomorrow, will be given the facilities by which to obtain a better education. And I believe government should be blamed for this. They brought in Grade XII a little too quickly because, although the introduction of Grade XII was a great move, a great advancement in our educational endeavours in the Province, our infrastructure was not ready to meet the demand.

Mr. Speaker, during the past number of years, there has been concern expressed all the way from Roddickton right up to Nain concerning the

MR. WARREN: International Grenfell

Association. I have concerns too, Mr. Speaker.

I notice that the residents of Port Saunders said no to the International Grenfell Association taking over their clinic. I believe, Mr. Speaker, the day has come -

AN HON. MEMBER: The time is now.

MR. WARREN: - the time is now, that we should take a serious look at the question of what future role the IGA can play in our Province. I believe it is identified with Labrador and with Northern Newfoundland, and the identification will still be there, but I believe, Mr. Speaker, it is time to reassess the situation and set up one Newfoundland and Labrador health board, bring it all under one umbrella. I am sure there could be improvements made in health in other parts of the Province, but major improvements are needed in the areas of Cartwright, Black Tickle, Nain and Hopedale.

MR. WARREN: If there is a pregnant woman ready for delivery, or if there is someone else brought in, there is only one room. I do not think that is enough in this day and age.

Mr. Speaker, I am glad the Minister responsible for Energy, or the Acting Premier is listening, because I believe sometimes he is fairly intelligent in things like this. The hon. member heard me last week but I want to repeat this again, because there may be a leaf we can take from the Ontario Legislature's book and try during the tourist season to say to people from outside the Province who have purchased clothing or anything else during that period of time, Okay, you have thirty days after you return to your own Province or country to send in your sales slips and get a refund on your sales tax. You know, it would be a real good initiative by this government to increase our tourist trade. We may lose dollars on the sales tax, but we will encourage people to buy more clothing, more souvenirs, more arts and crafts, because the sales tax will be refunded. It is a good gesture, it is working well in Ontario. Since Ontario brought this into being some three years ago, they have increased their tourism industry.

And I did not know this, Mr. Speaker, until a chap in Goose Bay told me about it, how they bought some materials up there and when they got back, about a month later, they received twenty-nine dollars and so many cents back from the Ontario Government. It is a good gesture and I am sure the Minister of Finance (Dr. Collins), who is back in the common room, is listening to my suggestion.

Now, Mr. Speaker, let us come to some other nuts and bolts in our government industries. Newfoundland and Labrador Hydro, I had the opportunity to write a cheque to them this morning, or Newfoundland

MR. WARREN: Light and Power, whatever you want to call them, for \$235.75, and that was for electricity for last month, electricity, when people on the Avalon Peninsula were inconvenienced because of nature. And you can listen to the open line programmes, or you can listen to people talking and Newfoundland and Labrador Hydro is still socking it to the customers.

What profit was made last year? Instead of seeing that some of this goes back into the pockets of Newfoundlanders and Labradorians, where is it going? The hon. member does not know where it is going, I do not know where it is going, so, therefore -

MR. SIMMS: Oh?

MR. WARREN: - and this is what I am coming to, Mr. Speaker, there should be a full investigation into the operations of Newfoundland Light and Power and Newfoundland and Labrador Hydro to find out what is happening, why are the people in this Province being ripped off?

MR. SIMMS: It is terrible.

MR. WARREN: The hon. member agrees that we are being ripped off, as far as hydro rates are concerned, in this Province.

MR. SIMMS: Absolutely disgusting.

MR. WARREN: We are being ripped off. And why can we not have a uniform rate throughout the Province?

MR. WARREN: Why is it that the people in Hopedale, Labrador, or in Black Tickle, Labrador, or in Burgeo - Bay d'Espoir or in Ramea, why is it these people, through no fault of their own have to depend on generating power with small generators that they have to pay 46 per cent more for than the people in St. John's or the people in Happy Valley - Goose Bay, who are getting the lowest electricity rate in all the Province? The people in Happy Valley - Goose Bay, and I believe in Labrador City too, are getting the lowest electricity rate in all of the Province. I believe there should be a uniform electricity rate. There has to be a uniform electricity rate. Mr. Speaker, there should also be a uniform telephone rate. I believe, in fact, that the telephone company has come pretty close to uniformity in their rates, but electricity rates are way out of whack, and this government is letting it happen. This government is letting these things happen. Why? Why should the Minister of Finance (Dr. Collins) allow such a catastrophe to fall on the people of this Province? The only reason, Mr. Speaker, I beg to say, is that the minister and this government have so many flunkies connected with the Public Utilities Board and Newfoundland Light and Power and Newfoundland and Labrador Hydro that they are afraid to put their foot down and say that the electricity rates have to stop climbing. Mr. Speaker, it is amazing! The more the electricity rates rise in this Province the more profits those two big companies are making and they are making it on the backs of Newfoundlanders and Labradorians. I believe it is high time, Mr. Speaker, that we have a hard look at Newfoundland Light and Power and Newfoundland and Labrador Hydro.

MR. SIMMS: Are you going to be another while yet?

MR. WARREN: I will be another hour and a half,

MR. WARREN: or something like that.

MR. SIMMS: Will you wait until I get back?

MR. WARREN: Yes, I will wait until you
come back.

Mr. Speaker, how can we get the people who are on able-bodied social assistance, who have no alternative because there is no employment around, or we are led to believe there is no employment around, how can we get some of those people off social assistance? I would like to throw another suggestion to the Minister of Finance (Dr. Collins) through the Minister of Forest Resources and Lands (Mr. Power). We have so much timber in this Province that has been destroyed by the budworm that it is practically useless for commercial needs. Now, Mr. Speaker, there are so many people in this Province today who have turned to wood as an alternative fuel.

I am sure that I could look at the member for Bonavista North (Mr. Cross) again as an example, I do not know if there are any other members over there, and I am sure that

MR. WARREN: the member for Bellevue (Mr. Callan) realizes it, that many Newfoundlanders and Labradorians made their dollars by the sweat of their brows, cutting wood with AND Company and Bowater Company etc. And, Mr. Speaker, we should not be too proud. I believe that is what is wrong with our society, we have people on able-bodies relief, able-bodied welfare who are too proud to go and cut wood. Mr. Speaker, these people should be requested by the Minister of Social Services (Mr. Hickey), who is paying those people social assistance to go in and cut the wood that has been destroyed by the spruce budworm, cut it for senior citizens or for other people who cannot cut it. Mr. Speaker, for doing that they can be paid X numbers of dollars and they would be doing a service for the Province. Instead, many of those people are sitting back because there is no employment. Mr. Speaker, government should encourage those people to cut that wood, and then a proper reforestation project could be started. We need it.

I believe, Mr. Speaker, the time has come when this government have to look at who really needs social assistance and who do not.

MR. PATTERSON: Who brought the shrews to Newfoundland?

MR. WARREN: Mr. Speaker, I do not know who brought the shrews to Newfoundland but I can tell you one thing, I am sure that the hon. member for Placentia (Mr. Patterson) if he agrees with what I am saying this morning, and I believe he does agree but he is afraid to stand up and say it -

MR. PATTERSON: What are you saying? I do not know what you are saying.

MR. WARREN: Well, Mr. Speaker, if the hon. member does not know, he should stay in his seat and then he would know what I am saying.

Now, Mr. Speaker, to get back -

MR. PATTERSON: I will get the translators upstairs to send it down to me.

MR. WARREN: Mr. Speaker, I would like to advise the hon. member that he should stay in his seat and act like a gentleman, which I presume he is, and he would be better off.

MR. PATTERSON: Tell us about the Norma and Gladys.

MR. WARREN: Yes, Mr. Speaker, I would be only too glad. In fact, I will be finished with Social Services in a second and I will tell the hon. member about the Norma and Gladys.

Social assistance should only be paid to those who need it, to those who cannot find a job. But, Mr. Speaker, if the government could see the light at the end of the tunnel, this wood which has been destroyed by the Spruce budworm wood has to be harvested, because if it is not harvested it is going to obstruct reforestation.

MR. PATTERSON: (Inaudible) marketable.

MR. WARREN: Now, Mr. Speaker, the hon. member for Placentia (Mr. Patterson) is awful testy. I can understand why he is testy, it is for the same reason that I now want to call a quorum. He cannot even keep his members in the House. So in view of this, Mr. Speaker, I will ask for a quorum call.

QUORUM CALL

MR. SPEAKER (McNicholas): Call in the members.

Order, please!

There is a quorum.

The hon. member for Torngat Mountains.

MR. WARREN: Mr. Speaker, before the quorum call the hon. member asked me about the Norma and Gladys and I am sure, Mr. Speaker, other members want to know my position on the Norma and Gladys.

MR. WARREN: In fact, Mr. Speaker, I had a call from CBC in Goose Bay this morning, about 8:15 a.m., asking me some questions on the Norma and Gladys, and asking me my position. Mr. Speaker, the Norma and Gladys should never be allowed to sail the North Atlantic again.

MR. WALSH: The North Atlantic?

MR. WARREN: The North Atlantic.

MR. WALSH: How about the South Atlantic?

MR. WARREN: No, Mr. Speaker, it should not be allowed to sail, period. Mr. Speaker, wherever the Norma and Gladys is now - where is she in Grand Bank now?

MR. HODDER: Yes.

MR. WARREN: She is in Grand Bank. I strongly suggest, Mr. Speaker, that maybe for a tourist attraction we should pull her ashore in Grand Bank and set her up.

AN HON. MEMBER: Put her in Terra Nova Park.

MR. WARREN: No, Mr. Speaker, do not put her in the Terra Nova National Park, No, No way. As far as I am concerned, Mr. Speaker, it is up to the federal government to make sure that there are enough tourist attractions in the Terra Nova National Park, not this government. Put her in Clarenville.

MR. PATTERSON: Put her out in space.

MR. WARREN: No, Mr. Speaker. If the hon. member for Placentia (Mr. Patterson) would like to see her in space, I am sure that the hon. member would like to take a trip with her.

MR. PATTERSON: Then we could communicate with Mars, and Venus and all of them.

MR. WARREN: Mr. Speaker, I know the hon. member for Placentia is awful testy, especially knowing that some 522 people from his district came into St. John's the other night to vote Liberal.

However, I do not like to get distracted, Mr. Speaker. The Norma and Gladys has to be used

MR. WARREN: as a museum and I would prefer either Grand Bank or Clarenville. That is my position, either Grand Bank or Clarenville, but definitely no way should it go into the Terra Nova National Park. I mean, that is over and done.

AN HON. MEMBER: How about Nain?

MR. WARREN: No, Mr. Speaker. In fact, I am glad the hon. member asked me the question because this morning CBC asked me a similar question. One of the people who was interested in purchasing the Norma and Gladys was going to use her to sail back and forth the Labrador Coast. Mr. Speaker, he asked me what I thought of that suggestion. I have to tell you now just in case no one hears CBC Monday morning, I have to tell you what I said. I said, 'The people along the Labrador Coast are more interested in both governments getting adequate transportation and communications along the Labrador Coast first, that is what they are concerned about, not the Norma and Gladys making a trip up there.'

And then the gentleman came back and said, 'What about if you had the proper transportation in place, then would you agree with it?' And I said, 'Under no circumstances would I agree with the Norma and Gladys going along the Labrador Coast, because the people along the Labrador Coast do not want to be responsible for the Norma and Gladys sinking and then having Air/Sea Rescue looking for the Norma and Gladys off of Smokey somewhere. And, Mr. Speaker, I hope the Minister of Culture, Recreation and Youth (Mr. Simms), who is anxiously waiting for my few minutes to elapse,

MR. WARREN: I hope the minister now
can stand up and tell us -

MR. WALSH: Would you agree that the
schooner in Nova Scotia is one of the main tourist attractions?

MR. WARREN: Mr. Speaker, I have to go back
to the hon. member for Menihek (Mr. Walsh). The people in Nain,
their first concern is to make sure there is adequate transportation
for them to get back and forth, and then have some other boat for
a tourist boat, maybe the Astron.

And, Mr. Speaker, about
ten days ago tenders closed on the acquisition of the Norma
and Gladys. Now the minister is going to get up in a few
minutes. In fact, the minister could make headlines today.
He has already tried it on his Physical Activity Week, but
if he could tell us what is going to happen to the Norma
and Gladys maybe it would satisfy a lot of people in the
Province. I have to sit down, I am sorry, Mr. Speaker, but I will
close up with these last remarks. I would like for the minister to
take my advice and let us take the Norma and Gladys - she is
in Grand Bank tied up at the wharf, is she? -

MR. SIMMS: Yes.

MR. WARREN: - Okay, back her up in the
harbour, and put her on full steam ahead, and where she
lands let her stay to be used as a museum. Thank you.

MR. SPEAKER (McNicholas): The hon. Minister of
Culture, Recreation and Youth.

MR. SIMMS: Mr. Speaker, I have been
reading with some interest the speech made by the hon. member
last Wednesday, relating to the resolution presented by my

MR. SIMMS: or any comments made outside the House by any member opposite, they do one thing and they do one thing only, and I do not personally believe they do it very well, and that is criticize.

MR. CALLAN:

Oppose.

MR. SIMMS:

No, you criticize, and there is a big difference. They criticize everything, not just the odd thing or the big issues, they criticize everything. They criticize the use of the private elevator and silly little things like that. But I suppose that is part of their role, at least they believe that is part of their role, but I think the people of this Province, indeed those that I talk to just about every day, say should they not also offer some alternatives and some alternate solutions to some of the issues that they severely criticize? But, Mr. Speaker, they never do. It is always the same old thing, criticize, criticize, criticize. But, Mr. Speaker, there is an old adage that I believe in and that is that sometimes the best way to convince a person that he or she is wrong is simply to let them have their own way. And that is applicable, I believe, Mr. Speaker, in the case of the Opposition, and a tactic which I admit we have used on this side. And I submit, also, it has been very, very successful, because they have lost the last five general elections at least and the reason, as I say, is because they constantly criticize, never offer alternatives and in most cases at least they are always wrong.

Now, Mr. Speaker, the budget presented by the Minister of Finance (Dr. Collins) I believe deserves a word of congratulations because I think he did a tremendous job in preparing and presenting his budget. And this is especially true because of the difficult economic times that we face and I believe he has the admiration of the people of

MR. SIMMS: Newfoundland and Labrador for showing such responsibility when handling the public purse. We all know that the years 1982 and 1983, Mr. Speaker, were very, very difficult years and, to put things into perspective, I think it is fair to say that the entire Western world and, indeed, I guess, some countries in the Eastern block of nations have also experienced very, very difficult times as the world has slipped into perhaps one of the most severe economic recessions that we have seen since the depression of the 1930s. Mr. Speaker, we all know that our country is influenced heavily by economic conditions in other countries, particularly in the United States. And now, even though the United States had established some economic recovery, Canada really is only beginning the long climb back up the economic ladder. And in this Province, Mr. Speaker, where our economy is so dependent on external resource-based markets, we are optimistic that the worst of this recession is behind us. As a matter of fact, the Conference Board of the United States recently stated that Japan, West Germany, the US and Canada are leading all other countries when it comes to growth prospects. And given the fact that our Province exports a large percentage of goods to those countries, then I believe we can look forward to a brighter future. As I said, Mr. Speaker, the last two years

MR. SIMMS:

have been very, very difficult ones, but I firmly believe that the worst is over and I am sure the people of Newfoundland and Labrador will experience better times ahead. Even though we have experienced a very difficult economic recession, I believe and I am proud to say that this administration has lived up to its responsibilities as a government, Mr. Speaker, while at the same time establishing a sound fiscal policy. We have been able to do this without running up exorbitant deficits, and we have been successful in maintaining our present credit rating while doing so. Unfortunately, the same cannot be said for some of our sister provinces. As a direct result of spiralling deficits during the past two years, British Columbia, Manitoba, Quebec, New Brunswick, and Nova Scotia all have experienced a downgrading in their credit ratings. The simple fact that this Province has been able to maintain its credit rating is proof, I believe, that we do have the confidence of the international economic community. I also believe that we have the confidence of the local business community in Newfoundland and Labrador and that is evidenced by the comments in the Board of Trade's News and Views paper which says and I quote, a quote from the Board of Trade in St. John's, and it is headlined, "A Sensible Budget." "The Board of Trade has endorsed the provincial government's budget for 1984 as a reasonable and responsible approach to fiscal policy, one that reflects current economic realities. The Board's reaction to the budget was an indication that the approach taken by government to the real problems they are facing was the kind of approach we are looking for. One could quibble endlessly over the specifics of the budget." - as we often see the Opposition do - "However, as we are seeing with the reaction from labour, the essential points would likely be missed."

MR. SIMMS: They go on to say, "Society must live within the limits of its economic resources and for the time being Newfoundland's economic resources are simply not able to keep up with the demands being placed on it. Consequently, those demands have to be reduced. As far as deficits are concerned, certain political leaders in Newfoundland appear to not understand the reality of the situation." Mr. Speaker, that is the response of the St. John's Board of Trade representing the business community in this area. They say the Minister of Finance (Dr. Collins) presented a very, very sensible budget and I believe that we have consistently illustrated, as an administration, Mr. Speaker, that we are living up to the responsibilities as the government of this Province. Since 1980 we have realized a 62 per cent increase in expenditure in the areas of education, health and social welfare. We have been able to successfully respond to the social needs of the people of the Province, I believe, in spite of the fact that we have gone through a very difficult economic time.

MR. SIMMS: And this government, Mr. Speaker, as evidenced by the Budget Speech presented by the Minister of Finance (Dr. Collins), and as has been enunciated on numerous occasions by other members of the government, will continue to respond to the social and economic needs of all Newfoundlanders and Labradorians.

We have witnessed the revitalization of a new high school system, we have hospital construction completed in Port aux Basques and underway in Clarenville and Bonavista. We will see the start of a new hospital in Salt Pond on the Burin Peninsula, and, I am happy to say, planning will continue for the redevelopment of the Central Newfoundland hospital in the district of Grand Falls.

As the Minister of Culture, Recreation and Youth, Mr. Speaker, in this administration, I am also extremely proud of the fact that we consider it very, very important to support cultural and artistic endeavours, and this we must do, I believe, if the Province of Newfoundland and Labrador is to prosper and mature as a unique part of this country.

Mr. Speaker, there are four key elements to the 1984 budget strategy as presented by the Minister of Finance. First of all, this government is committed to reducing the current account deficit; secondly, we intend to reduce this deficit but, at the same time, avoid major new tax measures and major tax increases; thirdly, we are implementing a broadly-based expenditure restraint programme; and, finally, we are introducing measures to promote economic activity and encourage private investment.

MR. SIMMS: I am totally supportive of the Minister of Finance (Dr. Collins), Mr. Speaker, when he says we cannot permit a trend of escalating deficits to develop. We must do everything in our power to ensure that deficits are reduced. If we did submit, Mr. Speaker, and our deficit began to rise, we could very well find ourselves in a similar position to that of Nova Scotia, New Brunswick, Quebec, Manitoba and British Columbia. However, Mr. Speaker, while rising deficits are unacceptable, so too are heavily increased taxes and, as a result, this government took the responsible position of avoiding new tax measures and major tax increases.

So how do you go about decreasing the deficit without major tax increases? Well, Mr. Speaker, by implementing an expenditure restraint programme Government has acted responsibly and, for the most part, the budgetary levels will remain the same as they were in 1983. One-half million dollars, Mr. Speaker, has been allocated to start various planning studies associated with recommendations made to government by the Royal Commission on Hospitals and Nursing Homes, and I know that the people of Newfoundland, particularly out in Central Newfoundland of which I can speak with some authority, are very, very pleased with that news.

I think we have acted responsibly, Mr. Speaker, while implementing that restraint programme. For example, while trying to avoid layoffs in the Public Service, different departments are holding staff allocations as they become vacant. The salary costs of about 150 positions will be saved through not filling additional positions as they become vacant. But, at the same time, there will be no large scale across-the-board layoffs.

MR. SIMMS: In dealing with the social sector, Mr. Speaker, there are many other very, very positive programmes which you never hear about, especially from the Opposition. There is \$25 million that will be made available to the municipalities throughout the Province through a system of guaranteed loans. This money, I believe, will go a long way in assisting councils to establish such things as water and sewer programmes and street construction and paving programmes.

The budget has provided for a substantial increase in the shelter allowance for social assistance recipients, in fact, an increase on the average of about 65 per cent.

SOME HON. MEMBERS: Hear, hear!

MR. SIMMS: Mr. Speaker, time does not permit me to outline

MR. SIMMS:

all the positive social aspects of this budget, but I am extremely proud of the fact that this administration has been able to significantly increase spending in the social sector while at the same time following a policy of social, responsible, and sensible fiscal management.

Mr. Speaker, this brings me to the major thrust of the budget and that is, namely, the introduction of measures to promote economic activity and encourage private investment. This government has undertaken a number of initiatives. The retail sales tax, Mr. Speaker, has been removed from all manufacturing capital equipment purchased for the use of manufacturers in the Province. Members of the Opposition frequently say, oh, that is nothing, that is no big deal, but I assure members opposite that that is a very positive step forward and will undoubtedly encourage industry to expand and upgrade equipment in the manufacturing sector. In fact, I hope it will be of particular significance to Central Newfoundland, as it applies to Abitibi-Price. And I believe this measure will help encourage the growth of secondary industry all throughout Newfoundland and Labrador.

Also, Mr. Speaker, this budget allows for a 2 percentage point decrease in the corporate income tax, which also is a very positive measure, and this will undoubtedly provide encouragement, I believe, to the private sector. We also provided incentive and protection to small businesses in the Labrador West area of the Province by lowering the retail sales tax.

Government has decided, as well, Mr. Speaker, to continue the programme whereby the rate of retail sales tax on building supplies will remain at 8 per cent. This will continue to provide incentive for the construction industry and will go a long way in helping our recovery.

So all in all, Mr. Speaker, these

MR. SIMMS: tax reductions are very, very significant and I am sure they will meet their objectives. But again, unfortunately, the Opposition never ever point to the positive features in any of our programmes.

We stimulate the economy in other areas: More than \$15 million on an expanded highway and bridge reconstruction and rehabilitation programme; \$21 million to be spent on upgrading our secondary roads and constructing new bridges. A total of \$39.7 million will be spent on highways through various cost shared programmes with the federal government. This activity alone, Mr. Speaker, will create some 7,600 jobs for Newfoundlanders and Labradorians during this coming Summer.

With respect to the Marystown Shipyard, the budget calls for the construction of an ice class ferry at an estimated cost of \$8 million; \$17 million has been allocated for the construction of the new Institute of Fisheries and Marine Technology; \$90 million will be spent on the Cat Arm hydro project this year; \$55 million on a capital programme for the Newfoundland and Labrador Housing Corporation during 1984/85. And, Mr. Speaker, as I said earlier, again I could go on and on. But I think it is sufficient to say that the government is certainly contributing significantly when it comes to providing some stimulus to the economy of the Province.

Now, Mr. Speaker, I want to reiterate what has been already said by the Minister of Finance (Dr. Collins) with respect to our offshore resources. In recent months there has been a lot of attention given to the opinion that the economic hardship experienced in this Province during the past two years is directly related to a lack of development of this Province's offshore resources. I submit, Mr. Speaker, that that is not the case. As is the situation in other areas of Canada, we are heavily dependent on economic recovery in other countries, particularly the United States,

MR. SIMMS: and I believe we can look forward to a very bright economic future as markets once again open up. But, Mr. Speaker, we must not neglect or ignore the question of development of our offshore oil and gas deposits. If we are to expand our economic base and in turn develop as a viable, contributing partner to this country, then we must ensure that all of the natural resources of our Province be developed so as to provide maximum social and economic benefits for the residents and people of the Province.

The Supreme Court of Canada recently handed down what we all recognize as a narrow legal opinion, that Newfoundland and Labrador does not own the resources off the Coast of this Province, but, Mr. Speaker, I still maintain that regardless of any strict legal ruling one fact remains clear, if Newfoundland and Labrador had not joined Canada in 1949, the federal government would have no legal claim to those resources.

SOME HON. MEMBERS: Hear, hear!

MR. SIMMS: The Province brought the great wealth of the Grand Banks into Confederation and therefore there is a moral and ethical consideration, I believe, to be addressed here.

I would just like to read a quote from an editorial, Mr. Speaker, with respect to the Province's ongoing efforts to get a fair share from those resources. It comes from a paper in Grand Falls, The Grand Falls Advertiser. It talks about the Premier's ongoing efforts and his fight, and it says, 'If the record' - this was after the decision was announced -

MR. CALLAN: Was that written by your brother?

MR. SIMMS: No, it was not written by my brother. This was written by the editor, I presume, of The Grand Falls Advertiser. 'If the record is any indication,

MR. SIMMS: Premier Peckford will continue undaunted in his effort to educate the unenlightened and, to this hour, those not wanting to be enlightened on this Province's argument. And maybe in the long run he will pay quite a price for what he is doing, as some suggest.'

SOME HON. MEMBERS: Hear, hear!

MR. SIMMS: 'However, as we see it he has little choice. He is fighting in the best interest of the Province and its people. Newfoundlanders, therefore, owe him their support.'

SOME HON. MEMBERS: Hear, hear!

MR. SIMMS: Mr. Speaker, the moral and ethical consideration that I referred to I believe is based on equality. And if we are to be treated as equal partners in Confederation, then we must be treated in the same manner as those Prairie Provinces were back in the 1930s.

Those provinces and the federal government of the day worked co-operatively to realize a constitutional amendment that gained control of the natural resources for those Prairie Provinces, thereby granting the Prairie Provinces equal status within Confederation. And, Mr. Speaker, if we are to receive fair and equitable treatment as a Province we should not expect any less. In fact, Mr. Speaker, we cannot settle for less than what can only be described as equality.

Mr. Speaker, future prosperity and a strong economic base depends on getting a fair share of those revenues, and this government is determined to see the resources on the Grand Banks of Newfoundland developed so as to provide maximum benefits for the residents of this Province. And I say to members of the Opposition, Mr. Speaker,

MR. SIMMS: I will give them a little quote, a quote from Mark Twain, because they can try and try all they want to deter us from what we know is right. Mark Twain once said, 'Keep away from people who try to belittle your ambitions, small people always do that'. And I suggest, Mr. Speaker, that quote of Mark Twain's is very, very applicable in the case of the Opposition.

Mr. Speaker, the budget we are debating today is proof positive that

MR. SIMMS: this administration has set a sound and stable course for this Province's economic future. We have received favourable responses from the business community, as I alluded to earlier, with respect to this particular budget, and the St. John's Board of Trade has expressed its approval of government's economic policies, as has the Science Council of Canada. So in all, Mr. Speaker, I think it is fair to say that we have acted in a responsible manner when providing for the future of Newfoundland and Labrador.

And I say to the member for Port au Port (Mr. Hodder), who is smarting over there, of course, smarting because he is the leader of the Turner camp, in the leadership campaign in Newfoundland he is John Turner's right-hand man, right-hand organizer, and the member for Stephenville (Mr. Stagg) will now be able to add this particular little political excursion of the member for Port au Port to his ongoing list of defeats. He is the leader of the Turner forces, and what has happened in Newfoundland with respect to the election of delegates, Mr. Speaker, for the Liberal leadership? Chretien has outdone Turner two to one, and one for John Roberts, of course, the member for Torngat Mountains (Mr. Warren).

And then again, of course, a recent poll this morning shows a big, big change from what it was a few days ago. The Tories are back on top again, shows a Carlton University poll. The Tories are back on top again.

MR. BARRY: Do you call that a big change?

MR. SIMMS: Well, a big change to what the Tories were in the Gallup poll.

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

MR. SPEAKER (Aylward): A point of order, the hon. the member for Port au Port.

MR. HODDER: I would just like to point out to the hon. member that there was a poll done recently in the Province which showed that with eight here and forty-four over there, we are fifty/fifty.

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

MR. SPEAKER(Aylward): To that point of order, the hon. the Minister of Culture, Recreation and Youth.

MR. SIMMS: To that point of order I say this, Mr. Speaker, whenever wise men speak it is because they have something to say, whenever fools speak, it is because they just have to say something. That is what I suggest the member for Port au Port (Mr. Hodder) has just done.

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

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

MR. SIMMS: Now, Mr. Speaker, the hon. member is obviously trying to use up my time because he cannot stand the devastating attack and criticism of the Opposition.

SOME HON. MEMBERS: By leave.

MR. SIMMS: Since I have a bit of leave, Mr. Speaker, I want to allude to some of the latest scenarios, political developments being talked about on the Opposition side. Do you want to hear some of these latest scenarios? Bill Rompkey resigning his seat in Grand Falls - White Bay - Labrador to go to the Senate. Now, that is an old rumour from about a year ago, but somehow it has gotten pushed aside lately for various reasons. Now, 'Ed Roberts' is going to run in Bill Rompkey's seat of Grand Falls - White Bay - Labrador, thereby opening up a safe seat for 'Leo Barry' from Mount Scio to run in, 'Ed Roberts'' seat, the Strait of Belle Isle. Now, that is one scenario.

MR. BARRY: I will run in Grand Falls.

MR. SIMMS: I would welcome you, my friend, I would welcome you. I would have to spend two days in the district then.

MR. SIMMS: Here is the other scenario, 'Ed Roberts' resigning to go to the Senate, and 'Leo' going to the Strait of Belle Isle, provincially, or just 'Bill' going to the Senate and 'Leo' running federally for the Liberals in Grand Falls - White Bay - Labrador.

MR. WALSH: Come on down!

MR. SIMMS: But I say to the hon. the member for Mount Scio (Mr. Barry) if he is considering that, and he is thinking about that so-called poll that was done for him, do not forget that poll was done with him as a potential Tory candidate.

MR. WALSH: That is right.

MR. SIMMS: Here is another one. Here is another one.

MR. HODDER: Tell us about your poll.

MR. SIMMS: Listen now! 'Steve Neary' resigning and going to the Senate and 'Leo' then running in LaPoile.

MR. BARRY: That one makes sense.

SOME. HON. MEMBERS: Hear, hear!

MR. SIMMS: There are all kinds of them. They are trying desperately

MR. HODDER: We know you have done polls. Tell us the results of them.

MR. SIMMS: You know what John Diefenbaker said about polls.

MR. BARRY: The member does not like his polls.

MR. SIMMS: My polls? I did a poll. Yes, I did a poll.

MR. HODDER: If you did a poll it would not be very accurate.

MR. SIMMS: Oh, no? Seventy per cent support is fairly accurate, in my opinion, even if it is out 10 per cent.

MR. BARRY: That must have been a poll of your executive.

MR. SIMMS: Mr. Speaker, it is obvious that they are trying desperately to find a seat for poor old Leo, a seat where he can run and maybe just be successful in taking over the leadership of the Liberal Party. Here is another bit of news: There is no question now about Richard Cashin running for the leadership of the Liberal Party, no question in the world. I am aware from a very, very reliable source, a well-to-do fisherman in this Province who received a phone call from Richard about four or five days ago only, four or five days ago, and he wanted to know if this fisherman would offer him his support if he ran for the leadership of the Liberal Party in Newfoundland and Labrador. And the fisherman, after about two seconds consideration said, no, n-o, 'I am a Progressive Conservative fisherman.' And I suspect, Mr. Speaker, there are literally thousands and thousands of Progressive Conservative fishermen in the Province of Newfoundland and Labrador today.

SOME HON. MEMBERS: Hear, hear!

MR. BARRY: Mr. Speaker.

MR. SPEAKER (Russell): The hon. member for Mount Scio.

MR. BARRY: Mr. Speaker, I am very disappointed to see the member sit down without going a little more into those polls that he is having carried out. I was interested to hear the member for Menihek (Mr. Walsh) discuss the poll that was carried out with respect to myself. Was that in the district of Grand Falls - White Bay - Labrador:

MR. WALSH: Yes, and you would run for the Tories.

SOME HON. MEMBERS: Oh, oh!

MR. BARRY: I know that a poll was being done but I could not await the results of that before

MR. BARRY: taking my decision.

MR. WALSH: Five to one.

MR. BARRY: Five to one?

MR. SIMMS: You against Rompkey, five to one against you versus Rompkey.

MR. WALSH: I was voted second as a Tory. As a Tory now, and I was second.

MR. BARRY: Just imagine what it would be against the member for Menihek (Mr. Walsh). I am being very enticed by that thought that has been put out here.

(Inaudible) by the polls in that regard yet?

MR. BARRY: No, but there are many useful suggestions being put forward here today, Mr. Speaker. That is why I was very disappointed to see the member for Grand Falls (Mr. Simms) sit down. I was very interested in his comments on this recent poll which he took as being satisfactory for Mr. Mulroney and the federal Conservatives.

MR. SIMMS: I said it was a significant change showing the increases the Tories have compared to what Gallup said we have.

MR. BARRY: I think we would have to conclude that even the Carlton University poll shows that there was something drastically wrong with the second last Gallup poll. The last Carlton poll and the last Gallup poll seem to be very close in terms of indicating that there could be a horse race, there could be a horse race, Mr. Speaker,

MR. BARRY: in the next federal election. And, Mr. Speaker, if there is a horse race, and, you know, I have to say that as an individual who decided to commit himself to provincial politics, the member for Menihek (Mr. Walsh) will breathe a sigh of relief at that point -

MR. WALSH: No way.

MR. BARRY: - that one has to keep an open mind as far as what might happen federally but, Mr. Speaker, the very least thing that these recent polls would indicate, or should indicate to government, is that they should not put all their eggs in the basket of Mr. Mulroney being the next prime minister.

SOME HON. MEMBERS: I did not say he was.

MR. BARRY: Now, Mr. Speaker, I wonder about that last Gallup Poll and maybe even the last Carlton Poll. Did the Premier have a sneak preview of the Carlton poll or was it out when we had his statement yesterday that, "Mr. Chretien is not all that bad a guy." We have sat here, Mr. Speaker, and the day after Mr. Chretien was down, we had the Minister Responsible for Energy (Mr. Marshall) get up and Mr. Chretien was blamed for everything from a breakdown of the offshore oil and gas negotiations to the outbreak of salmonella in Grand Falls and everything in between. Every ill of the Province was laid on Mr. Chretien's doorstep. Now we see, Mr. Speaker, a change in tactics. And the Premier, you know, we have to give him his due, he has shown himself to be one who has been able to sniff out the winning side in federal elections. And we saw the Premier indicate this when he tore very serious strips off Mr. Clark in the course of the federal election which the Premier suspected Mr. Clark was not going to win.

MR. BARRY: So the Premier has shown himself to be an astute analyst of the federal scene. Now I wonder if this sudden switch by the Premier indicates something about his analysis of the next federal election. Do we all of a sudden have a situation where government is realizing it is not safe to continue with their strategy of putting all their eggs in the basket of Mr. Mulroney being elected as Conservative Prime Minister.

Members on this side of the House have warned themselves hoarse recommending, advising, urging that government consider getting back to the negotiating table. And, Mr. Speaker, we have had the Premier, we have had the Minister responsible for Energy (Mr. Marshall) saying, "No way. It is a waste of time. It is useless talking to all those fellows. But everything is going to be solved when there is a change of government in Ottawa." Now I wonder, Mr. Speaker, whether this sudden change in stance, how much is that due to an analysis that maybe Mr. Mulroney is not going to win, and how much is it due to this other factor, Mr. Speaker, the other factor, Mr. Speaker,

MR. BARRY:

that even if Mr. Mulroney were to win, the statements that he has been making or not making, depending upon your point of view, the conflicting statements coming out from Mr. McGrath and Mr. Crosbie, all of a sudden that too would indicate it might not be safe to put all our eggs in the basket of the next government being Tory in Ottawa.

Now, Mr. Speaker, maybe there is hope yet, with respect to the strategy being adopted by members opposite on the offshore. Maybe they will, Mr. Speaker, agree to go back to the bargaining table with the federal government on the offshore. Maybe, Mr. Speaker, we will not have to wait until the next federal election. Maybe on June 17 - the convention is the 16th, I think -

AN HON. MEMBER:

Yes.

MR. BARRY:

- we can expect that a communique will go from the Premier or the Minister responsible for Energy (Mr. Marshall) to the next Liberal Prime Minister of Canada, and members of this side of the House, Mr. Speaker, strongly recommend that that letter be drafted today, that we have that letter drafted and ready to go out - leave the date open or put in June 17 now, Mr. Speaker - we would strongly recommend that the Premier and the Minister responsible for Energy consider the day after the Liberal leadership convention, when we have another Liberal Prime Minister of Canada, that there be an invitation go forth for the resumption of negotiations, a recommencement of negotiations with respect to the offshore. And, Mr. Speaker, I am sure if that is done that within a month, I am prepared to put it on the line and say that within a month, whether it be Mr. Chretien or Mr. Turner, that there could be an agreement on the offshore, within a month. Now, Mr. Speaker, the Minister responsible for Energy got up earlier this morning and raised serious doubts about the good faith of Mr. Chretien in terms

MR. BARRY: of what was revealed about the Nova Scotia agreement. Now it seems to me that there is some serious division of opinion here. The Premier, on the one hand, out of Ottawa is saying that Mr. Chretien is not all that bad, he should be able to talk to Mr. Chretien once Mr. Trudeau is gone. Now how do we expect the Premier to be able to talk to Mr. Chretien if the Minister responsible for Energy (Mr. Marshall) is accusing Mr. Chretien of outright fraud at the very minimum?

MR. MARSHALL: I see.

MR. BARRY: You see. It sounded more like a fraudulent attempt to get the Newfoundland government to sign an agreement without

MR. BARRY: fully knowing what was on the table which had been signed for Nova Scotia. Now, Mr. Speaker, that to me, does not appear consistent with an indication by the Premier that he would be prepared to go back to the bargaining table - I hope that is what he is saying - on June 17, the day after the Liberal convention.

Now, Mr. Speaker, I understood that I was to speak for only ten minutes and adjourn the debate. I am not sure if the Government House Leader (Mr. Marshall) is ready or if the Minister of Finance (Dr. Collins) is going to propose the loan bill, but I understand that we are going to move on to adjourn the Budget Debate. Is the Minister of Finance ready?

DR. COLLINS: Yes.

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

MR. SPEAKER (Russell): It has been noted that the hon. the member for Mount Scio has adjourned the Budget Debate.

On motion, that the House resolve itself into Committee of the Whole to consider certain resolutions relating to the raising of loans by the Province, Mr. Speaker left the Chair.

COMMITTEE OF THE WHOLE

MR. CHAIRMAN (Aylward): Order, please!

Motion 3, Bill No. 26.

RESOLUTION

That it is expedient to bring in a measure to authorize the raising from time to time by way of loan on the credit of the Province the sum of two hundred and twenty million dollars (\$220,000,000.00) and such additional sum or sums of money as may be required to retire, repay, renew or refund securities issued under any Act of the Province.

DR. COLLINS:

Mr. Chairman.

MR. CHAIRMAN (Aylward):

The hon. the Minister of Finance.

DR. COLLINS:

Mr. Chairman, this loan bill, or the resolution that will result presumably in a loan bill being accepted by the House and subsequently voted on, this was introduced by my colleague, the President of the Council (Mr. Marshall) in my absence. Normally speaking, this resolution would be presented by the Minister of Finance, consequent upon the budget presentation, but I was unavoidably absent at the time. And I am sure the hon. the President of the Council did give the rationale for the resolution and for the bill that will follow it and gave all the pertinent information that the House would need to come to a decision on the matter. So I do not think it would be needful for me to go over all that again. However, just a few general remarks, if I may.

The loan bill, of course, is necessary. We have a practice in this Province of taking care of our capital requirements, our capital account, through borrowings. Now, obviously, we would wish we did not have to do that. We would wish that we could raise revenues through various means, taxation and otherwise, which would also take care of our capital requirements. Unfortunately, our needs are greater than the revenues that would be available through that means. If we relied on that means, it would take a very, very long time before we would get the schools, the roads and so on and so forth that are necessary. I suppose ultimately we would achieve our objective, but it would be perhaps well into the twenty-first century, and, in the meantime, our people would not be able to get a proper education, they would not have the proper

DR. COLLINS: transportation infrastructure to carry out their business, they would not have the necessary health facilities and so on and so forth. So really, it is like an individual, I suppose, if you are just starting out in life, you know, the house you live in, you can do it in one of two ways, you can either work away and save your

DR. COLLINS:

money and, I do not know live, in a camp or a tent or something or other and after twenty years you will have enough money to build a house. You could do it that way. But a more usual way these days is to say, "I am going to go out and I am going to borrow the money, I am going to build my house and therefore I will be able to live in it in some sort of human fashion, but I will still save my money as I work and I will ultimately repay that loan." In other words, this is done on credit. and that is a reasonably sensible way to do it.

The other way is doing it the very hard way and it really does limit a person who tries to carry on his life that way. He does not have the opportunity of taking whatever opportunities might come along that he can take advantage of. Well, in the same way, if Province did not bring in these capital works until such time as it actually had the money in its hand, we would not be able to respond to the potentialities of our people and we would not be able to respond to the opportunities that present themselves to us so that we could develop and increase the quality of our lifestyle and so on and so forth.

So this is why we do borrow. It is not an imprudent thing to do, it is a wise thing to do. It is imprudent if you borrow too much, if you borrow beyond your reasonable capability to pay back. And perhaps at times one could point to periods in the past when that seemed to be the case, or we seemed to be getting near that situation, but I think that really these were fluctuations; at a certain period a lot more funds were needed for particular purposes than would seem to be justifiable on the basis of your expected revenues. But in another period of time your

DR. COLLINS: expected revenues looked healthier healthier and therefore your ability to service your borrowings did appear reasonable. So there were some fluctuations, no doubt about it. But I think by and large, even though our debt load is heavy in this Province, it is not really the heaviest of all provinces. There is another province that has a heavier debts obligation per capita than we have. But even saying that, ours is still very, very heavy. But it is not something that is increasing significantly in any way. As a matter of fact, up until this past recessionary period it was actually decreasing, our debt obligation per capita was actually decreasing. During the recessionary period that decrease has been given a halt, hopefully on a temporary basis and when our economy picks up, as it is expected to do, and our government revenues accordingly increase arising out of an improved economy, well, then again we will fully expect to get back into that fortunate situation where our per capita debt obligations will again begin to decrease. They have a good way to go before they will get down to the Canadian average, but nevertheless any downward movement is certainly a welcomed one, and that is an aim of this government.

We will not, however, insist that it be done every year if circumstances would make it unwise to do it every year, because that would only put unnecessary hardship on the people of this Province and on our plans, our strategies for the government of the Province. We will govern what we do according to sensible assessment of the circumstances surrounding each particular fiscal year, but that is our aim and we will certainly stick to it.

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DR. COLLINS: Now, Mr. Chairman, I suggest and I submit, and the hon. President of the Council (Mr. Marshall), I am sure has done the same thing, that our present loan bill is consistent with that overall philosophy.

DR. COLLINS: The total amount, I think, is pretty well around the same as we indicated to the House that we would need to have in the loan bill last year. We used up pretty well the full amount that was in the loan bill last year. I think at the present time there is approximately something in the order of \$20 million still outstanding that we could borrow and still be within the provisions of last year's loan bill. And just on a technical point, I think hon. members know that the loan bill does stay in effect after the end of the fiscal year until such time as it is replaced by a new loan bill. So we still have that authority to borrow about \$20 million if we really wanted to, but obviously the borrowing of \$20 million would not go far to meet our capital requirements in the new fiscal year and that is why we are requesting the House to adopt this resolution and subsequently bring in a bill to renew our mandate to borrow in amounts that are required by our capital plans.

Mr. Chairman, we borrow where we can and where it is to our best advantage. If we are given the choice, if all other things were equal, we will borrow in Canada because there is no exposure to exchange rate changes there. And, of course, exchange rate changes, if you are dealing with foreign currency, is always a bit of an imponderable but, however, seldom can we borrow the total amount we require in Canada. There are a lot of other Provinces -

MR. CALLAN: Can we borrow from Alberta?

DR. COLLINS: The hon. member asked can we borrow it from Alberta. You know, that is not really in our hands, it is really in the hands of the Alberta government. The Alberta government did have a strategy a number of years ago whereby they would let provinces borrow from their Heritage Trust Fund at favourable rates, at AAA rates.

DR. COLLINS: Unfortunately, the economic situation that Alberta is experiencing has deteriorated as of that time and they had to reverse that policy or that strategy. They felt that they could not let their trust funds go out for the benefit of others, they needed to take advantage of it themselves. That is most unfortunate, that is incredibly unfortunate, because it was a very useful source to us and it came about because the oil industry was, as the hon. member for Stephenville (Mr. Stagg) mentioned the other day, gutted, was totally and utterly and ruthlessly and cold-heartedly gutted by the National Energy Policy. The oil industry in Alberta was booming, they were using their trust funds not only for their own purposes but also for the purpose of people all throughout Canada by allowing other provinces to take advantage of them on a borrowing basis, and it was an arrangement that was very, very satisfactory indeed. But it was totally undermined, totally put into an impossible situation by the provisions of the National Energy Programme, you know, which has almost nothing to commend it. I will not say it is a totally negative policy approach by the federal government, but its beneficial effects were about 2 per cent and its negative effects were about 98 per cent. Anyway, that is another story, I suppose. But if we can borrow in Canada, we will borrow in Canada. If we cannot borrow in Canada, and the reason why I say that is we cannot always satisfy ourselves in Canada is that other provinces have to borrow there, the federal government is a very large borrower there, the corporate entities borrow in Canada, and the Canadian capital market is only so large and if we want to confine ourselves to Canada we would end up paying very high interest rates if we borrowed the total amount, so we do not have to move into other currencies. In recent years we have confined ourselves to US currency whether borrowed in the US or borrowed in Europe where there are US currency available to us also, and the reason why we stuck to the US currency

DR. COLLINS:

we felt that the exchange risk between the Canadian dollar and the US dollar is less than the exchange risk between the Canadian dollar and currency such as francs or pounds or Deutsche marks or yen or what have you. Now these things change and we continually look at other markets and look at other currencies to see if we should change our policy. Up to date we have decided to stick with Canadian dollars and US dollars and I would anticipate in this coming year we will still stick with that policy although, as I mentioned, we have other currencies continuing under review in case there is some change that we can take advantage of.

Mr. Chairman, our credit rating was mentioned. We have been fortunate in maintaining our credit rating. It is a low credit rating, it is the lowest in Canada, but it could go lower, it very definitely could go lower. The credit rating agencies look to how we manage our economy, what are prospects are and so on and so forth. And I am glad to say to date they have felt no need to change our credit rating downwards. Now as the hon. Minister of Culture, Recreation and Youth (Mr. Simms) mentioned, that has not been the case with some other provinces and it has not been the case with corporate entities which are household names, household words, and they have had their credit rating downgraded during this recent recession. This Province has maintained it. We will be meeting with the credit rating agencies over the next month or so, in turn, the Canadian credit rating agencies and the other two, Moody's and Standard and

DR. COLLINS: Poor in the United States. We will be meeting with them over the next month or so just to give them updatings. We have no indication from them whatever that they are unhappy with things. This is a review that is carried out every so often. We have full expectations that they will maintain our credit rating and we will be pushing that they will increase it. But I do not want to suggest that in this volatile economic situation we are likely to achieve that. I think if the Canadian economy, and accordingly our economy was a bit healthier, I think they would be looking very seriously at improving our credit rating. But I think it might be a bit too much to ask that they would do it at this time when the depression is in the early stages of abatement.

So, Mr. Chairman, with those remarks I support the resolution submitted by the President of the Council (Mr. Marshall) and the bill that should come from it.

MR. CHAIRMAN (Aylward): The hon. member for Port au Port.

MR. HODDER: Mr. Chairman, it was very interesting, if I can quote the words of the minister, to say that the National Energy Policy was 2 per cent correct and 98 per cent incorrect coming from a government that has based its whole strategy on the promise of offshore oil, particularly since the National Energy Policy is one that, even when the Conservative government, for its short-lived term, was in in Ottawa, when they attempted to destroy it this government was against it and for very good reason. The people of this Province have

MR. HODDER:

forgotten, they have forgotten that that great oil discovery and the promise of other oil discoveries on the Grand Banks is directly due to the National Energy Policy, and that -

DR. COLLINS: No, no. That was in place long before the NEP.

MR. HODDER: - for every well that is drilled there are tax write-offs. There are actually wells drilled on the Grand Banks where companies make money on the drilling and this government knows it.

DR. COLLINS: That is why the NEP is so stupid.

MR. HODDER: Oh, is that right! That is why they are so stupid, Mr. Chairman. That is why they are do stupid. They are so stupid that they initiated, not this Province, they made the tax laws proper for exploration. And the whole future of this Province rests on the offshore oil find as far as this government are concerned, not as far as we are concerned on this side. But the minister would get up and say that the National Energy Policy is 2 per cent correct when the National Energy Policy is what is keeping Bow Valley, Mobil, whoever, drilling on the Grand Banks. And were it not for the National Energy Policy some of these debates would never take place in this House of Assembly.

Mr. Chairman, that points out something that should be made very clear. It says something about the thinking of this government. I have said it before and I will say it again, what would have happened had we not had the offshore oil discovery off our coast? What would this government then do since the major thrust of the government is not to help the economy of this Province but to keep a hands off approach and to attack Ottawa at every opportunity and to give no credit where credit is due? And by the way, Mr. Chairman, that is not a good political tactic, to attack at every opportunity and never to give credit where credit is due.

MR. SIMMS: That is what you are doing all the time.

MR. HODDER: No, Mr. Chairman. If I saw something that the hon. members opposite were doing good I would praise them. I have not seen them do anything good.

MR. SIMMS: You are not giving credit where credit is due.

MR. HODDER: No, Mr. Chairman.

MR. TOBIN: What about the member for Twillingate (Mrs. Reid) being responsible for getting unemployment insurance extended for fishermen?

MR. SIMMS: Practice what you preach.

MR. CALLAN: That was done 15 years ago, and ten years ago. The member for Twillingate did not do that.

MR. HODDER: Mr. Chairman, we have watched legislation come into this House for the last three years; there has not been one solid piece of legislation in the last three years to do anything about the economy of the Province. There has not been one move in the last three budgets to do anything about the economy of the Province.

DR. COLLINS: That is not true.

MR. HODDER: I have sat and listened and I have read reports of what members have been saying in this House. The people of the Province demanded that the government do something for the economy of the Province, so they dropped the sales tax or they do this. There have been no new initiatives whatsoever.

MR. HODDER: But when I hear the Minister of Finance (Dr. Collins) say that the National Energy policy is 98 per cent wrong, I ask him if it were not for the National Energy Policy would we have those rigs on the Grand Bank? Would we have those Newfoundlanders -

DR. COLLINS: Oh, yes.

MR. HODDER: Oh, yes, yes, yes, yes. Oh, certainly. Oh, yes. Absolutely. So the fact that they can drill a dry hole and made a profit on it is of no benefit to an oil company. I will certainly tell you, if somebody told me to search for oil on the Southside Hills and I was given the right to drill knowing that

MR. HODDER:

it would be a write-off, I would go and drill on the Southside Hills. I would like to ask the minister something else. If the National Energy Policy is so right, why is it that he pawned off Come By Chance on Petro Canada? Because it became a hot potato in his hands. He stood in this House of Assembly two years ago, without any guarantees as to what would happen, because it was a question that was directed at the government and because he passed it over to Petro Canada, and he was very pleased. I remember the Ministerial Statement. So he was very pleased to do it then. Of course, Petro Canada did for him what he had to do himself so, therefore, we lost Come By Chance because they looked at it in terms of dollars and cents. But the National Energy Policy has benefited this Province more than any other province in Canada as far as the offshore oil is concerned. Before I sit down, I would like to ask the minister about some of the things he said when he spoke. I am sure that there will be others to speak, but when he finally does speak I would like to ask the minister - I understand his thinking concerning the credit ratings and the fluctuation of dollars and I can very well understand why we might go for US dollars rather than, say, Liechtenstein dollars, or whatever country you want to think of, I mean the fluctuations in currencies across the world are very severe in certain countries and I am quite sure that we would not borrow from Argentina or Brazil - but I just want to ask him in all seriousness if we do go around Canada what will be the source of our borrowing, from what areas do we borrow? I know we have borrowed a number of times and through a question that I threw across the House while the minister was speaking he said that Alberta probably would be out at the present time, and we also can understand that. I would like the minister to explain

MR. HODDER: .when he does get up to speak just where he expects to get the money across Canada. What will be our source of borrowing?

Another thing I would like to ask the minister is, I heard it once said that our credit rating is thrown around in this House as if it were something we should be afraid of, I did hear an economist say that, that the government has been very successful in propagating the myth that we have to be stringent on current account because of our credit rating. Now I do not know if that is so or not. I would certainly like to see the deficit cut, I would like to see us balance our current account, but I would like the minister when he stands as well to tell us - and I am just asking for information - what his thinking is on a deficit on current account when you balance that with the stimulation of the Newfoundland economy?

MR. HODDER: None of us like to borrow. But our economy is lagging behind the rest of Canada by some, perhaps, two years. As I understand it now there is a recovery taking place across Canada but there is no recovery taking place in Newfoundland. We will probably see the effects of it in the next year or so.

I feel that the government, for the most part, have fought elections, including the last election - and have convinced the people of this Province - on major issues. They have not taken note of the other issues in this Province. For instance, someone, somewhere, must start to realize that Newfoundland is falling behind the rest of Canada not only as far as our economy is concerned but as far as our educational qualifications are concerned, as far as our courses are concerned, as far as our young people are concerned, and perhaps Canada is falling behind Japan and the U.S., but there is no move being made to make sure that our young people have an equal chance. And the oil will not do that, the readdressing of the Churchill Falls contract will not do that, but what will do it is a determination to try to do something with what we have. And the government of this Province, for the past ten or twelve years, has not addressed that problem. They thought they learned from mistakes of the past but they forgot to learn some lessons of the past. You must wrestle with the economy in this Province. And it is not enough to sit back and say, 'We are waiting for a brighter day.' It is not enough for the Premier to wander around in Ottawa with his turban on, looking like an oil sheik. It is not enough. Someone, somewhere, must say that this Province, as it is, must be governed properly,

MR. HODDER: that we have to encourage the people of this Province to be productive people.

I will go back to something I said in the Budget Speech the other day, that if you dropped a group of educated people from Japan or Taiwan in the center of Labrador - and members know that what I say is true - that with their spirit and determination, before you knew it they would have an economy going in that barren area. And where this government have fallen down is that they have forgotten that there is something else to Newfoundland besides offshore oil and electricity, that there are people here who must be trained, that we must keep up with the twentieth century. The courses in our vocational schools are ten years behind. We should be looking to courses that are ten years ahead.

SOME HON. MEMBERS: Hear, hear!

MR. HODDER: But, Mr. Speaker, we say we do not have the money. I come back to my question. The minister is out of his seat now but I am sure that he can hear me. I do not have the answer, but what is more important, to balance current account or to educate our youth for the future? That is a good question, you know, whether

MR. HODDER:

we should worry even about our credit rating when our youth are going down the drain?

MR. SIMMS:

How are you going to get the money to do anything?

MR. HODDER:

Yes, but what do you do with the children now? I meet so many of them, Mr. Chairman

MR. CHAIRMAN (Alyward):

Order, please!

The hon. member's time has elapsed.

MR. HODDER:

Thank you, Mr. Chairman.

MR. CHAIRMAN:

The hon. President of the Council.

MR. MARSHALL:

Mr. Chairman, I thought that we might get the loan bill through today but obviously we are not, the hon. gentlemen want to speak. I do not think that this Committee, before the weekend, should have to listen to two Liberals in a row.

MR. SIMMS:

We had an agreement on this.

MR. MARSHALL:

Well, I mean, you know, I do not know whether we had an agreement.

MR. CALLAN:

Twenty minutes.

MR. SIMMS:

He just wants to ask a quick question, 'Bill'.

MR. MARSHALL:

You just want to ask a quick question, do you?

MR. CALLAN:

No, no.

MR. MARSHALL:

Because you know, Mr. Chairman, just for the record, what we did was we adjourned the budget debate so that, you know, the people who are on the other side who talk about oppression in the House and are using our majority, I would just like to put it on record that today, at the request of the member for Port au Port (Mr. Hodder), we could have ended the budget debate here today, but he said that some of the absent members on the opposite side, the member for Eagle River (Mr. Hiscock) and the member for the

MR. MARSHALL: Strait of Belle Isle (Mr. Roberts) who were not here today wished to speak to the budget debate. So what we did, we very obligingly saw the debate adjourned to enable them to speak.

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

MR. CHAIRMAN (Aylward): A point of order, the hon. member for Bellevue.

MR. CALLAN: That is not quite how it went, Mr. Chairman. Now, I have already spoken on the budget debate, the main motion, but I was this morning going to speak on the amendment the non-confidence motion.

MR. SIMMS: Why did you not?

MR. CALLAN: What actually happened was the member for Grand Falls (Mr. Simms) -

MR. SIMMS: You were not here.

MR. CALLAN: - I was sitting right here with a lovely view of the Basilica, the towers and so on, But I was sitting right here and the member for Grand Falls stood up and Mr. Chairman, who is now in the Chairman's chair, was in the Speaker's chair at the time, and he said, 'Before the member for Grand Falls continues, I want to welcome some students to the gallery'.

MR. SIMMS: He did not say that.

MR. CALLAN: He did. And then the member for Grand Falls refused to get up. He did not get up after the students were welcomed and, of course, the Speaker put the question. And it was totally unawares to us. I was here and I believe the member for Port au Port (Mr. Hodder) was here, but there was a bit of confusion created there because I intended to speak on the amendment, of course, and the member for Port au Port would have spoken as well, but things got tangled. So I want to put that clarification in there, Mr. Chairman.

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

MR. CHAIRMAN (Aylward): To that point of order, the hon. Minister of Culture, Recreation and Youth.

MR. SIMMS: That is rather foolish, Mr. Chairman. I mean, the hon. member knows that what His Honour said was that before I recognize another speaker I will introduce the kids in the gallery. That is what His Honour said and he is nodding his head in acquiescence. So, therefore, I have won that argument.

MR. CALLAN: You were standing.

MR. SIMMS: Secondly, you are suggesting that the Speaker put the motion without giving the hon. member an opportunity to speak on the amendment, and that is just not accurate. If the hon. member wished to speak on the amendment all he had to do was stand and the Speaker would have recognized him. So it is total foolishness, a point of foolishness.

MR. CHAIRMAN: To that point of order, there is obviously a difference of opinion between two hon. members.

The hon. President of the Council.

MR. MARSHALL: I am not talking about the amendment. The hon. gentleman was not privy to the conversation I had with the member for Port au Port (Mr. Hodder) subsequently ~~I am talking about is~~ subsequently, and you know, .

MR. MARSHALL: What I am talking about was subsequent. And, you know, I mean, we have made this and we put in on record. Now you are almost tempted to say you will not do it again the next time, but we will continue to do it, Mr. Chairman, to co-operate with the Opposition and we were most pleased to do so, appalled, though, at the statements made by the member for Port au Port (Mr. Hodder). He was obviously getting up here just to waste time when he was speaking. But imagine him getting up and talking about the educational standards and how they should be improved and what have you, and, you know, to make the suggestion that, "Oh, it does not matter anyway, what we should do we should borrow enough money anyway. It does not make any difference. We should borrow as much as is needed." And, of course, that is the great Liberal philosophy and that is why we are in the position that we are in today.

Is the hon. gentleman aware that about 75 per cent of the total amount of the loan bill approximately equals the interest that we have to pay on the debt that the hon. gentlemen opposite burdened this Province with? You have been out of office now for about fourteen years and it was precisely that kind of philosophy that was emitted by the member for Port au Port which got us into that trouble. It is a recipe for disaster. It is one that would put this Province on a much steeper downward slope, would result in the ultimate bankruptcy of the Province, and the Province, when it was a country at one time, as the hon. member knows, had been bankrupt at one time. And, you

MR. MARSHALL: know it is completely and . absolutely irresponsible. I do not believe the hon. gentleman means what he said anyway. I do not think he posed the question seriously to the Minister of Finance when he voiced it. I do not think he could have been serious in it because it is totally and completely irresponsible what he said and the reason why he said it was just really to fill in time, which I suppose is what we are all doing, because what we are doing, you see, Mr. Chairman, is we are waiting on the pleasure of the absent members in the Opposition. The member for LaPoile (Mr. Neary), the Leader of the Opposition, is out of the Assembly today and, you know, right now as I am speaking there is only one on the other side. They are afraid of the member for LaPoile. He gives them their directions and he knows they want to bring this debate to a conclusion, because we have explained this is a loan bill, we have explained to the Committee the reason for the amount of the debt, how it was broken down, we have given all the justifications of it, we have pointed out very openly that there is a so-called flexibility or cushion there between \$70 million and \$75 million to give the Minister of Finance the opportunity to take advantage of any window that may occur at the end of this year and we have fully and completely debated all aspects of this loan bill. The only reason why this is still going to continue on the agenda, why we cannot get on to other business, is purely and simply because the hon. gentlemen there opposite do not wish it to pass until the Leader of the Opposition is here. They wish it could pass themselves, but the Leader of the Opposition just wants to continue his policy of obstruction which he does as a matter of course every day here in the House. But, I mean, I suppose we have got to put up with that, The Leader of the Opposition was elected

MR. MARSHALL: and that is it. I mean, he happened to be elected with only twenty-seven votes, he sits there in the House with the lowest majority of any member, he is going, going, Mr. Chairman, and the next election he will be gone. Imagine, twenty-seven votes! I would say if he were not going to be appointed to the Senate he would serve out his term, it would be twenty-seven years and twenty-seven votes. Mr. Chairman, I do not think there is any point of me wasting the time of the Committee, we will have to wait now until the hon. the Leader comes back. It is near 1:00 p.m. and I move that the Committee rise, report progress and ask leave to sit again.

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

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

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

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

MR. MARSHALL: Mr. Speaker.

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

MR. MARSHALL: 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, May 14, 1984, at 3:00 p.m.