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Speaker: Honourable Patrick McNicholas

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MR. SPEAKER (McNicholas):
Order, please!

Before calling for Statements by Ministers, there is just one brief announcement I would like to make. Over the weekend I read through last week's Hansards because I made a ruling about ten days ago that concerns me because I believe I was wrong. I might add that no one approached me directly or indirectly in this matter, and I did not seek anyone's advice.

The ruling was in connection with comments made by the hon. the President of the Council. At the time, I felt he had imputed unworthy motives when he said the intention of two hon. members was to discredit the government. On reflection, this surely must be one of the aims of the Opposition.' So I just want to correct what I feel was an error on my part.

Statements by Ministers

MR. MARSHALL:
Mr. Speaker.

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

MR. BARRY:
That was the time you got spitey, was it not?

MR. MARSHALL:
Mr. Speaker, I never get spitey. A marvellous ruling, Mr. Speaker.

Mr. Speaker, I have a statement to make. The subject is Recent Negotiation Of Subsequent Terms Of

Grand Banks Exploration Agreements 194, 196, 197, 198, 200 (Mobil) And Exploration Agreement 208 (Petro - Canada).

It is my pleasure to bring to the attention of the House, the overall significance of the recently negotiated second terms of the six exploration agreements on the Grand Banks. The initial terms of the five exploration agreements with Mobil and one with Petro-Canada expired at the end of March, and the companies entered into negotiations with the Canada-Newfoundland Offshore Petroleum Board to extend their rights for a second term.

I might state, Mr. Speaker, that in accordance with the arrangement under the Atlantic Accord and the Constitution of the Board, the Chairman of the Board was in contact with both orders of government with respect to this.

The companies have retained the rights to almost half a million hectares and have already paid rentals in excess of \$1.1 million for the first year of the "successor" terms. Under the conditions of the agreements, the companies are required to pay a rental of \$2.50 per hectare during the first year - as I say, we have received the first payment - \$5.00 per hectares for the second year; and \$7.50 for each of the third and fourth years. These amounts are to be paid in advance each year and the companies will be reimbursed up to 50 per cent of those payments based upon allowable expenditures. If these rights are held to their full four year terms, then the minimum amount of rentals that will accrue to the Province will amount to approximately \$5 million. It is possible that rental payments

could be higher, Mr. Speaker, but they shall not, in totality, exceed \$10.3 million. I wish to emphasize to this House that these revenues are the first oil related revenues of any substance from the offshore area to be paid to this Province as a result of the Atlantic Accord, and were able to be garnered by the Province as a result of the Accord and as a result of the fact that the Province of Newfoundland was recognized as having the right to recover provincial type revenues, and this is the first of the provincial type revenues to accrue to the Province.

Now, although these rental payments represent a significant amount of revenue and the beginning of such a revenue stream, my colleagues and I are hopeful that the drilling requirements stemming from these agreements will provide substantially more benefit to the provincial economy. If the companies exercise all their options and meet their drilling requirements, then eight wells will be drilled by Mobil and two by Petro-Canada by the year 1990. Ten wells, say at an average cost of \$35 million per well would result in an expenditure of some \$350 million and this would provide impetus in maintaining an acceptable level of exploratory activity over the next four years. Presently the Newfoundland 'capture rate' on exploration activity is in the order of about 15 per cent. On this basis, it is estimated that \$50 million will accrue directly to the Newfoundland economy as a result of these expenditures. In terms of employment, these expenditure levels represent an estimated 780 person years of employment for Newfoundlanders and Labradorians.

Choosing not to fully exercise the options would result in the drilling of fewer wells which would, of course, result in fewer overall benefits. The companies have until 1988 under four of the agreements and 1989 under the other two to either spud initial wells, post \$5 million bonds per well or relinquish the land under the applicable exploration agreements. With the exception of any land associated with significant discoveries, all lands will have reverted to the Crown by 1990, at which time it may be re-offered to the industry and the cycle would begin again.

The potential benefits that will accrue to the Province, as a result of the exploration agreements that I have discussed today, are a result of provisions embedded in the historic Atlantic Accord, struck between this Government and the Government of Canada. Heightened co-operation between the two levels of government, as a result of the Accord, has enabled the new board to conclude these agreements with the oil industry to the mutual benefit of all concerned. I am also encouraged by the fact that the industry continues to regard highly the overall prospectivity of the Newfoundland offshore area. This is amply manifested in that they are continuing to commit to meaningful work programmes despite depressed oil prices and certain cutbacks in exploratory expenditures in other areas.

I might also state, Mr. Speaker, that there are a couple of other comments I would like to make which were not included in my formal statement. When this was announced by the board on Friday, one of the media, and I believe it was CBC where one would expect to

see a comment such as this late in the news, said that the highlight of the newscast was the fact that Mobil had not taken up all its acreage and it had relinquished some of its acreage, as if this was a negative aspect.

But, Mr. Speaker, this, too, is a positive aspect, giving up the acreage. It is standard practice when there is a renewal, and it is the basis upon which they received their licences in the first place, and it makes that acreage in prospective areas available for calls in the next order of tenders. It is a policy of this government and has been for a long period of time, that acreage and exploration areas such as this, large areas, should not be tied up by one or two companies and this is, again, reflective of the policy of the provincial government.

I would like to indicate as well, Mr. Speaker, to underline it once again, that these are the first revenues of any substance that we have received from the offshore and this is the beginning of a revenue stream that I hope will increase dramatically as the years go on for the betterment of all Newfoundlanders and Labradorians.

I would like to point out as well, Mr. Speaker, that once again this indicates, if you reflect upon this, the prospectivity of the area off the Grand Banks of Newfoundland. There is obviously a downturn in the oil industry, yet we have six exploration agreements renewed, with substantial commitments made with respect to them. I could indicate, as well, Mr. Speaker, that in the years to come, next year and the year after, other exploration agreements will come

up for renewal so that we can expect similar treatment with respect to that, similar revenues being paid to the Province of Newfoundland, and further commitment with respect to the drilling of exploration wells.

I would also like to relate that to a statement I made, either in response to a question in this House during this session or to the press, that related to a statement made by our friends at the Board of Trade and the local supply industry itself when I said they had somewhat overstated the position when they painted an exceptionally gloomy picture with respect to exploration. As I said at the time, I can understand them being concerned, everybody is concerned when there is a downturn in any industry, but I think that this statement today indicates that they did, in fact, overstate the situation, that Newfoundland is the place for the offshore exploration on the Eastern Seaboard of North America, and that we can look forward, in the future, to a lot of increasing activity over the years, and we will see, as we have seen in this statement, that the benefit will derive to the people of Newfoundland and Labrador as a result of the provisions of the Atlantic Accord.

Finally, Mr. Speaker, because this is the first announcement of any substance that I have made with respect to a decision made by the Canada/Newfoundland Offshore Petroleum Board, I do not think I should make this statement without noting the co-operation of the Board itself, and particularly its Chairman, Mr. Ted Baugh, in negotiating these agreements. Obviously the matter of revenues is a matter of provincial

jurisdiction under the Atlantic Accord, and the matter of the drilling of the wells is coincidental jurisdiction of the federal and provincial government. The first effort by the board, I think, has been very successful. They have conferred with us at all times. Their decision reflects the policies of the provincial government and they have been very successful in bringing about what I consider to be a very beneficial result, as I say, the first indication of revenues to flow from the Canada/Newfoundland Atlantic Accord.

SOME HON. MEMBERS:

Hear, hear!

MR. BARRY:

Mr. Speaker.

MR. SPEAKER:

The hon. the Leader of the Opposition.

MR. BARRY:

Mr. Speaker, I think that this can be summed up that the elephant has laboured mightily and brought forth a mouse. Look at the figures and look at what the minister is doing. He mentions the concerns of the business community of this Province. Well, Mr. Speaker, no wonder they have concerns when we get this type of misleading information supplied. We have an indication here, a prediction, that we can expect ten wells over four years, two and a half wells a year, much, much less than the industry has been expecting, much, much less than they have experienced over the last four or five years. For the minister to stand up here and start setting that forth as something that is to be positive, to be viewed as encouraging by the

Newfoundland business community, no wonder we have business people in this Province making investments and going down the tubes when they rely on the minister's statements, when they rely on the Premier's statements.

The problem is the minister is not giving accurate forecasts, he is not giving proper forecasts to let the business community plan. When the minister stands up and says that we should jump up and down and clap and cheer because the Province is going to receive in the area of from \$5 to \$10 million in rentals over the next four years, I say to the minister chicken feed! Peanuts!

Mr. Speaker, it is not this sort of announcement that is going to fulfill the expectations created by members opposite. What this House is waiting for, what the people of this Province are waiting for, what the business community is waiting for is a statement by the minister, by the Premier, by members opposite that Hibernia is going to start and going to start this year. It should start, and the minister should see that the federal government gets off its duff and starts seeing that development proceed. If that is all the minister can bring back after his discussions in Ottawa, Mr. Speaker -

MR. REID:

You are afraid it will start.

MR. SPEAKER:

Order, please!

MR. BARRY:

No, no. Everybody in this House wants it to start, everybody in the Province wants it to start, and we want it to start now.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

Order, please!

MR. BARRY:

Mr. Speaker, when we see this type of propaganda exercise, seeking to try and put the best face on a sad and dismal performance, to try and play up chicken feed rentals and a severe cutback in exploration activity, trying to say that that is something good for this Province -

MR. MATTHEWS:

A deal like you got for the widows.

MR. BARRY:

- I am concerned, Mr. Speaker, that the minister is not getting results in Ottawa.

MR. TOBIN:

What is going on in Nova Scotia?

MR. SPEAKER:

Order, please!

MR. BARRY:

That is going to be the test, Mr. Speaker, of the Atlantic Accord. By the way, where is the Atlantic Accord? Where the hell is the Atlantic Accord? We have been waiting for it now since February. We had a special session in February, they brought it in, then decided they had better cut their losses and get out of the House as quickly as they could.

SOME HON. MEMBERS:

Hear, hear!

MR. BARRY:

We have been back in the House now for several months and there is no sign of the Atlantic Accord. I would like to ask the minister to

stand in his place after I sit down and tell us when the Atlantic Accord will be coming forward on the Order Paper. When can we get down to scrutinizing that? When are we going to get a decision on Hibernia?

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

Before recognizing the hon. the President of the Council I would like to welcome to the Gallery Mr. David Dingwall, the member of Parliament for Cape Breton - East Richmond.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

The hon. the President of the Council.

MR. MARSHALL:

Since I was invited, Mr. Speaker, I very timidly refer the hon. gentleman to Order 13, Bill No. 1. It is on the Order Paper today. And I also very timidly respond to the hon. gentleman when he talks about chicken feed and his aegis, Mr. Speaker, they had no revenues at all except, I am told, one or two payments of \$1,000.

Oral Questions

MR. BARRY:

Mr. Speaker.

MR. SPEAKER:

The hon. the Leader of the Opposition.

MR. BARRY:

Mr. Speaker, in light of the fact that we had Mr. Joe Clark

indicating that -

MR. PATTERSON:

Your buddy, 'Joe; the fellow you supported for leader.

MR. SPEAKER:

Order, please!

MR. BARRY:

Mr. Speaker, I have high respect for Mr. Clark, and I would recommend to members opposite that they keep a high respect for him as well. He is a man who is going to be around for a while in federal politics, longer than some members of the members opposite will be provincially, and longer than the current Prime Minister will, judging by his performance.

Now, Mr. Speaker, I would like to -

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

Order, please!

My friends on the left side are continually interrupting and I do not have to just continually ask for order. So I would ask them just to please keep quiet.

The hon. the Leader of the Opposition.

MR. BARRY:

I do not think we are going to have to await the resignation of Mr. Joe Clark, Mr. Speaker, unlike some of those further to the right whom members opposite would support and whose policies they adopt every day in this Province.

MR. TOBIN:

Is this Question Period, Mr. Speaker?

MR. MATTHEWS:

Flick him out, Mr. Speaker.

PREMIER PECKFORD:

A point of order, Mr. Speaker.

MR. SPEAKER:

A point of order, the hon. the Premier.

PREMIER PECKFORD:

I do not know what the Leader of the Opposition is up to here. Is this Question Period? If it is, then would the Leader of the Opposition please pose a question. He is up there debating whether Mr. Clark is going to stay or leave and it does not make much difference to me, and I do not think it is a question which comes under the jurisdiction of this government, so I would like the hon. the Leader of the Opposition to get on with a question.

MR. BARRY:

To that point of order, Mr. Speaker.

MR. SPEAKER:

To that point of order, the hon. the Leader of the Opposition.

MR. BARRY:

I stood up to put a question and members opposite interrupted.

PREMIER PECKFORD:

Two wrongs do not make a right.

MR. SPEAKER:

Order, please!

MR. BARRY:

Two 'Brians' do not make a right either.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

To that point of order, I would ask the hon. the Leader of the

Opposition to pose his question.

MR. BARRY:

In light of the fact that that excellent minister, one of the few good ministers in Ottawa, Mr. Joe Clark, has indicated that there has as yet been no decision taken by the Prime Minister with respect to the involvement of the Province

MR. SIMMS:

We will be here forever on this side as long as you are around.

MR. SPEAKER:

Order, please!

MR. BARRY:

In light of the fact, Mr. Speaker, that Mr. Clark has indicated there has as yet been no decision taken by the Canadian Prime Minister with respect to provincial participation in the free trade negotiations, how is it that the Premier could get up in this House and say that he is satisfied with the provision for provincial input? Has he once again given a blank cheque to Mr. Mulroney?

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

Mr. Speaker, there is a meeting as a matter of fact tomorrow with the continuing federal/provincial committee that has been struck. There will be members from our Intergovernmental Affairs Department in Ottawa tomorrow, meeting with Mr. Reisman and other members of the federal negotiating team for our ongoing input into the free trade agenda and debate and negotiations. There was also communication between the Prime Minister and all the premiers in the last two weeks and that is continuing over the next few

weeks. So things are moving along very well on that score and we are hopeful that the communications between the federal government and all the provinces will continue as it has continued in the past, that this continuing committee will continue to meet representing all the provinces and the federal government with Mr. Reisman and some of his staff. And as I said, the Prime Minister has been in touch with us in the last couple of weeks and will be getting in touch with us as soon as he gets back tomorrow from overseas. There is an ongoing, cooperative approach between all the premiers and the Prime Minister and, secondarily, between the ministers of trade and the Minister of External Affairs (Mr. Clark) and the respective provincial ministers and, thirdly, between the various people within the governments of all the provinces with Mr. Reisman at the federal level. So these cooperations and linkages are going on and I am very hopeful and positive about the cooperation that is going to continue to be there between the federal government and the provinces.

MR. BARRY:

Mr. Speaker.

MR. SPEAKER:

The hon. the Leader of the Opposition.

MR. BARRY:

Mr. Speaker, does the Premier not remember that he did not talk about being hopeful as to what the end result was going to be, but stated in this House that he was satisfied with the arrangement for provincial input? Was this more political posturing, as we have seen with respect to the Newfoundland Railway, or is it in

fact Mr. Mulroney requiring that the Premier of this Province once again give a blank cheque? The Premier did not deal with that question.

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

There is a committee established already, and that is what I referred to a number of weeks ago, which is meeting almost weekly. Representatives of all the provinces, and representatives of the federal government, headed by Mr. Reisman, are meeting again tomorrow morning. There is ongoing talks between the Prime Minister and the ten premiers. I cannot put it any clearer to the Leader of the Opposition. There are ongoing talks based upon proposals that have been put forward by the provinces and proposals that have been put forward by the federal government to ensure complete cooperation of the provinces and the federal government in the ongoing talks once they begin. No problem.

MR. BARRY:

Mr. Speaker.

MR. SPEAKER:

The hon. the Leader of the Opposition.

MR. BARRY:

Then, Mr. Speaker, is the Premier aware of the statement by Canada's deputy chief negotiator in these free trade talks, Mr. Gordon Ritchie, when he says that he can take negotiating instructions from only one source, the federal government? And is this not the problem that Mr. Don Getty, the Premier of Alberta, was referring to a week ago, that in fact the Government of Canada is saying

they are going to take the decisions even though it may be in areas of provincial jurisdiction?

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

No, Mr. Speaker. I talked to Mr. Getty no more than an hour and a half ago, as a matter of fact. I do not know what he said in the press. I talked to every premier in Canada, as a matter of fact, about an hour ago.

MR. CALLAN:

Are you going to hire him too?

SOME HON. MEMBERS:

Hear, hear!

PREMIER PECKFORD:

If he can help, yes, he will be hired.

MR. SPEAKER:

Order, please! Order, please!

PREMIER PECKFORD:

But I can give one more assurance to the hon. member, we will not be hiring him - that is one assurance I can firmly give -

MR. TULK:

He is a Liberal, right, 'Brian'.

MR. SPEAKER:

Order, please!

PREMIER PECKFORD:

- not even for maintenance on the Come By Chance refinery.

Mr. Speaker, obviously there is going to be a process for provincial input into the talks ongoing, from the day they start and before they start, as there is now. There is input right now to Mr. Reisman from all of the provinces, and there will be input

on the higher levels than that as we proceed. Then one group, namely, the federal government, is going to make a decision based upon input and consultation with the provinces of what they are going to tell their negotiators next. So that is where our input comes. You cannot have all ten provinces with the federal government telling the negotiating team to go this way, that way, and so on and so on. One group is going to tell the negotiating team, but that group first of all will be after meeting with all of the provinces and getting their input in consultation on a whole range of issues. And where a province is involved, obviously, directly in the trade negotiations, there will be input guaranteed so that the provinces are protected in areas of their own jurisdiction. It is very simple.

MR. BARRY:

A final supplementary, Mr. Speaker.

MR. SPEAKER:

A final supplementary.

MR. BARRY:

I wonder if the Premier would indicate to us whether the universe is unfolding as he thought it would and as he hoped it would? Is he now seeing the federal government promoting the community of communities' that the Premier referred to as his notion of how Canada should operate? Is he of the opinion that the image of Canada promoted by the current Prime Minister is similar to that which the Premier supported as promoted by Mr. Rene Levesque? Are we not, in fact, seeing an even greater emphasis upon the unitary state and centralized federal decision-making in the free trade negotiations than we ever saw

under the previous Liberal administration?

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

Mr. Speaker, unfortunately for the Leader of the Opposition, we are seeing a much different, as everybody in Canada knows, the federal government now than we saw when the Liberals were in power -.

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

Order, please!

PREMIER PECKFORD:

- and we were not consulted on a thing. There would be no continuing committee meeting with the chief negotiator tomorrow if Mr. Trudeau were in power. He would be off doing it himself, with a few of his senior bureaucrats when he has now got salted away into the Senate, down to the United States doing their own thing, and let us know two or three months later. We already have had, in the last four or five months, I do not know how many meetings, tens and tens of meetings on just getting ready for these negotiations.

MR. BARRY:

Where is Michael Cogger now?

MR. SPEAKER:

Order, please!

PREMIER PECKFORD:

There is the big difference.

MR. BARRY:

What happened to Michael Cogger?

MR. SPEAKER:

Order, please!

PREMIER PECKFORD:

And in every other sphere that is what is happening, we are consulted first. And we are being consulted now and we have meetings ongoing tomorrow in Ottawa on the trade thing, long before the trade negotiations actually get into any substance. So there is a world of difference between the two governments. The universe is unfolding as it should.

MR. TULK:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Fogo.

MR. TULK:

Mr. Speaker, I have a question for the Premier. Last night I witnessed a display of insolence and contempt rare even for his own government, and I have to say that to him. I want, of course, to congratulate the Leader of the Opposition on the sincere and honest programme that he laid out last night on the NAPE work.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

Order, please!

MR. TULK:

Mr. Speaker, last night eleven MHAs from the St. John's area were invited to attend a public forum over the NAPE strike.

MR. SPEAKER:

Order, please!

Would the hon. member please pose his question?

MR. TULK:

Let me ask the Premier, was the absence of all but one of those MHAs from the St. John's area

coincidental contempt? Was it a lack of courage on the part of the MHAs from St. John's?

DR. COLLINS:

Were you there?

MR. TULK:

Yes, I was. Or was it a conscious, insolent decision on the part of the government to tell those MHAs to stay away and not to hear their constituents, as they should? Did the Premier order what I consider to be, a rotten, scandalous situation?

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

Tick, tick, tick, tick, tick.
None of the above, Mr. Speaker.

MR. BAKER:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Gander.

MR. BAKER:

Thank you, Mr. Speaker. There is a great deal of educational turmoil in the Province right now in St. Bernard's, Heart's Content, Main Point, Davidsville, just to name four scattered around the Province, all involving the closing of community schools. I would like to ask the Minister of Education (Mr. Hearn), is it now the policy of the Department of Education to force resettlement in this Province through the educational system by closing the small schools and supporting only the regional larger schools?

MR. SPEAKER:

The hon. the Minister of Education.

MR. HEARN:

Mr. Speaker, certainly the

question shows the amount of knowledge the hon. member has about the educational system in the Province. First of all, there is no turmoil today in the town of St. Bernard's. They have already reached an agreement with the board. There are a couple of other areas in the Province where the boards say they intend to close the community schools or to bus out some of the students from the schools to other communities for the general good of the students. That may not be accepted by the people in those areas. In fact, it is made quite evident that the people are not going along with the wishes of the board at this time.

Negotiations are underway between the boards and the people, the Parent Teachers Associations, etc., involved. In the town of St. Bernard's, in relation to the disagreement with the Burin Roman Catholic School Board, we saw a positive resolution was found, and undoubtedly a resolution will be found to the other situations throughout the Province. I would, however, like to say that it is certainly not the intention of government to pull resettlement through the backdoor the way the Liberals pulled it through the front door some years. We have no intention whatsoever of trying to resettle areas by moving schools whatsoever. In fact, we strongly support community schools and the effect they have on rural communities. Not only do we support them, but we have initiated several activities this year through my department which will protect small schools in small communities and make sure that those communities will not only survive but the schools will survive and both socially and economically there will be

improvements all around.

SOME HON. MEMBERS:

Hear, hear!

MR. BAKER:

Mr. Speaker.

MR. SPEAKER:

A supplementary, the hon. the member for Gander.

MR. BAKER:

The solution so far has been purely temporary, Mr. Speaker, and the minister knows it. Will the Minister of Education, in light of the fact that he has ordered a study of small schools in the Province, order a halt to the closedown of these community schools, at least until his study is in? Or is he simply going to get up, shrug his shoulders, and say, 'I can do nothing about it?'

MR. DAWE:

How arrogant are you at all!

MR. SPEAKER:

The hon. the Minister of Education.

MR. HEARN:

Mr. Speaker, what is done in relation to the opening and closing of schools in the Province, the allocation of teachers, etc., comes under the complete jurisdiction of the school boards in the various areas. If today I stood up here and said that I am going to order, not ask, a certain school board to close a school or to make changes the hon. gentleman would be on his feet accusing me of interfering with school boards.

SOME HON. MEMBERS:

Hear, hear!

MR. HEARN:

What we have done is to create the

type of atmosphere in the educational environment in this Province that will enable boards to work with the people in the various areas to provide the best possible education that can be provided. We are making sure that this possibly best type of education is delivered to the remote rural areas of the Province as well as the larger areas. Some areas that already have thought about closing schools, and one that had already decided to close a school, that board and others also have said that, in light of the new initiatives taken by the Government of Newfoundland, and Labrador we will sit on our decision to see what is going to come out of this because we think they are headed in the right direction. Consequently, we will sit back and hopefully we will be able to solve these problems to satisfy everybody, except, of course, the hon. gentlemen opposite.

MR. FLIGHT:
Mr. Speaker.

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

MR. FLIGHT:
Thank you, Mr. Speaker. I have a question for the hon. the Minister of Environment (Mr. Butt). I understand the minister issued a press statement yesterday indicating that it was not the government's intention - he was the spokesman - to repair the physical man-made damages or conditions that are causing the flooding on the Trans-Canada and the subsequent closing of the Trans-Canada Highway in the Rushy Pond area just West of Grand Falls area. He said it is not his intention to repair the damages -

MR. SPEAKER:
Order, please!

Would the hon. member please pose the question?

MR. FLIGHT:
- but that he would prefer to pay for any damages caused after the flooding takes place.

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

MR. BUTT:
Mr. Speaker, that has been government's position all along. We had a hydrotechnical study done, cost-shared by the provincial government and the federal government at a cost of some \$158,000. As to the cost benefit ratio of providing flood proofing in the Rushy Pond area, you would save one dollar for every fifty dollars you spent. So, no, Mr. Speaker, we are not doing it.

MR. FLIGHT:
Mr. Speaker.

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

MR. FLIGHT:
Since the minister has staked out the position of the government that they do not intend to repair the road and do not intend to avoid the flooding, I would ask the minister this: Does he have any concern for the safety of the travelling public who are diverted to a roughly mile-and-a-half detour that, when one considers the congestion of traffic on that detour, can be argued as a safety hazard to the travelling public? In the event of flooding there in the future - there is no reason to

believe there will not be flooding - does he have any concern for the safety of the travelling public who are forced to use that detour?

MR. SPEAKER:

The hon. the Minister of the Environment.

MR. BUTT:

Mr. Speaker, the hon. member for Windsor - Buchans continues to be somewhat of an alarmist and a little bit irresponsible in some of the statements he makes. Of course we will, whenever it is necessary, provide a flood warning to the general public and the motoring public. It will be announced. It will be put in The Grand Falls Advertiser, which is dominated by my hon. colleague here from Grand Falls, the Minister of Forest Resources and Lands (Mr. Simms).

We will do what is necessary to protect the people in that area, Mr. Speaker. If in fact the area floods, we will provide assistance to residents out there in that flood prone area, as we have in the past. For example, last year it cost the government \$5,500. In order to put in flood proofing measures, to put up concrete dykes and whatever else is necessary, and bring the banks up to a level where the river cannot overflow - I do not have any control over the rainfall, unfortunately. I really cannot determine what the rainfall is going to be next year - would cost over \$1 million to the taxpayers of this Province. The cost the taxpayers last year \$5,500. Now, Mr. Speaker, I do not know how I can simplify it any more for the hon. member.

MR. FLIGHT:

A final supplementary, Mr. Speaker.

MR. SPEAKER:

A final supplementary, the hon. the member for Windsor-Buchans.

MR. FLIGHT:

The minister is talking about the flood damage in Badger. I am talking specifically about closing a mile of the Trans-Canada Highway, not just for the people of Central Newfoundland but for everything that travels in Newfoundland between Port aux Basques and St. John's.

So I would ask the minister, if he is prepared to leave the Trans-Canada in a condition where it is prone to flooding, will he do one of two things; either upgrade the detour or divert the Trans-Canada Highway, away from the flooded area, along the route of the detour? Given the congestion of traffic on that road in certain conditions, it is a dangerous situation, Mr. Speaker. Will the minister commit to upgrading? If he is going to leave the Trans-Canada prone to flooding, will he upgrade the detour and make sure it is totally safe for the travelling public of this Province?

MR. SPEAKER:

The hon. Minister of the Environment.

MR. BUTT:

Mr. Speaker, in speaking in the debate yesterday I told the hon. member that he should go to his district or send a picture down there because they are looking for him. Obviously he has not visited that area of his district in recent times because the hon. member would then know that in fact that detour, small as it is, has been paved. Most detours, Mr. Speaker, that I go over in this Province are not paved and it is

pretty rough going. But, in fact, this area that has been prone to flooding for several years, has now been paved.

So I tell the hon. member once again he should go out enroute to Buchans and take the detour and have a look at it, because they are looking for the hon. member in Buchans.

MR. KELLAND:
Mr. Speaker.

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

MR. KELLAND:
My question relates to a news story in The Evening Telegram yesterday containing statements attributed to the Minister of Culture, Recreation and Youth (Mr. Matthews), so I would like to direct a question to him. It relates, Mr. Speaker, to the special excise tax on various equipment that will affect hunters, fishermen, outdoor enthusiasts, as you term them, in the Province. In view of that, no matter what the minister's position or the position of his government is on this, providing Ottawa goes ahead, would he, knowing that quite a large proportion of Labrador's population depends on certain outdoor activities for their livelihood, to maintain and sustain their families and so on, and indeed people in certain parts of Newfoundland as well, ensure or take the steps to ensure that there is some protection and some exemption, if the actual fresh air tax is put into effect by Ottawa, so that the people so affected in Labrador and rural parts of Newfoundland will be protected from the tax and exempt from it, so it will not affect the

equipment they must purchase in order to carry out their everyday, traditional activities?

SOME HON. MEMBERS:
Hear, hear!

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

MR. MATTHEWS:
Thank you, Mr. Speaker.

I would like to thank the hon. gentleman for the question. I just say to him that, of course, we were first confronted with this proposal, and it is merely a proposal, by a Tory MP last Wednesday. We wanted some time really to assess as best we could the effect and the impact that this proposed tax, if imposed, would have on Newfoundlanders and Labradorians. We are, as well, very considerate of the types of people the hon. member has referred to who depend on the outdoors and our wildlife for a living.

So these are the kinds of things that we are trying to monitor, Mr. Speaker, and evaluate. We are hoping within a few days we will be able to make our position known officially as the Government of Newfoundland and Labrador.

MR. KELLAND:
A supplementary, Mr. Speaker.

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

MR. KELLAND:
The minister indicates, Mr. Speaker, that it was proposed by a Tory MP, who strangely enough has the name Barry Turner. How any Tory MP could be blessed by a name

like that is beyond a lot of people, I guess. But, nevertheless, I thank you for the answer.

I would like to try to stress that it has been approved by certain levels in Ottawa. For example, the Federal Minister of the Environment, Tom McMillan, is saying that the federal government is now considering it, giving it some active consideration. That would lead me to believe that it was in the federal caucus and had approval there as well.

I am concerned though -

MR. SPEAKER:

Order, please! Would the hon. member pose his question?

MR. KELLAND:

I again ask would the minister, as a minister connected with this type of an activity, no matter what your government's position is, either for or against, and no matter what Ottawa does, but if Ottawa does impose it, make some strong representation to consider the plight, the stress and strain that that would put on the financial situation of the people, particularly in Labrador and other more rural areas of our Province?

MR. SPEAKER:

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

MR. MATTHEWS:

Mr. Speaker, we have no difficulty with that whatsoever. As the minister responsible for wildlife in this Province, I have no difficulty whatsoever in making those views known to the respective authorities in Ottawa. I would just like to comment lightly to him and say that we are very glad that the other Mr.

Turner is a Liberal.

MR. KELLAND:

A final supplementary, Mr. Speaker.

MR. SPEAKER:

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

MR. KELLAND:

The headline says, Mr. Speaker, 'Minister seeks public reaction for proposed federal excise tax.' I wonder if the minister has entered into some sort of an arrangement to contact the public and actually actively solicit formally their input on their feelings on this fresh air tax?

MR. SPEAKER:

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

MR. MATTHEWS:

No, Mr. Speaker, we have not formally engaged the public. The thing is we have been monitoring what has been happening in the Province over the last few days. This, again, Mr. Speaker, I would like to reiterate is merely a proposal by a gentleman who was a biologist and environmentalist before entering politics and his concern is that there were cuts in the federal budget that affected the Canadian Wildlife Services. He was interested in finding additional funding for habitat improvement in this country, for wildlife protection and management and for fish enhancement, and this is the proposal that he is lobbying for and trying to persuade his federal counterparts to accept in Ottawa. It is strictly a proposal and it is strictly a federal proposal. We are concerned about it because we want to monitor the affect it will have on Newfoundlanders and Labradorians.

MR. K. AYLWARD:
Mr. Speaker.

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

MR. K. AYLWARD:
Thank you, Mr. Speaker.

I would like to ask the minister if he is aware that this proposed federal excise tax has already been approved by the Tory caucus in Ottawa and is going to the Cabinet Committee to be decided? Would he also tell us when he is going to decide what his position is going to be because this tax is going to affect every Newfoundlander and Labradorian in this Province? So can he tell us when he is going to decide this, when his government is going to make its position clear? I would like to know that.

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

MR. MATTHEWS:
Mr. Speaker, what has happened with this proposal is that Mr. Turner has lobbied and talked with non-government organizations and associations right throughout the country, and at the wildlife colloquium last week he indicated that he had significant amount of support across the country from these organizations and associations for this tax. The thing is, as well, he has taken it to the Caucus Committee on Environment and Renewable Resources. He has talked and discussed the proposal with them, lobbying them for their support in trying to get the federal government to accept this, but as of now, Mr. Speaker, it is merely in a proposal form.

MR. K. AYLWARD:
A supplementary, Mr. Speaker.

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

MR. K. AYLWARD:
Is the minister aware that there is already a federal tax on these items, also a 12 per cent sales tax, a tax on the cost of the firearms acquisition certificate, there is a hunter's licence and there is a habitat conservation tax? Is he aware of those taxes? And, considering all the taxes that are now on Newfoundlanders, is he just going to tell the minister up in Ottawa, 'No, we will have nothing to do with it, you are taxing us enough'?

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

MR. MATTHEWS:
Mr. Speaker, we are very much aware of the taxation burden of the people of this Province and that is why we wanted to behave and act in a responsible manner when it came to assessing and evaluating this proposal.

The other thing I would like to say to the hon. member is I have had a number of lobbies from members opposite over the past year and they are very concerned about wildlife protection and wildlife management in this Province. They get up and criticize the government because we do not have enough wildlife protection, because we are not trying to keep down poaching, but, I mean, if we are going to improve on these kinds of things, then money has to come from somewhere.

MR. TULK:

You are agreeing with them up there.

MR. MATTHEWS:

I am not agreeing with anything.

MR. TULK:

By your attitude you agree with it.

MR. MATTHEWS:

Mr. Speaker, I would like the protection of the Chair. I feel that I can communicate well enough without having the member for Fogo try to communicate for me. We all know he has had his problems in recent days. But the situation, Mr. Speaker, with regard to this proposal, is we want to assess and evaluate it very carefully as a government to see what effect it will have on Newfoundlanders and Labradorians and our position will be known in a matter of days.

SOME HON. MEMBERS:

Hear, hear!

MR. K. AYLWARD:

A supplementary, Mr. Speaker.

MR. SPEAKER:

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

MR. K. AYLWARD:

Evaluation! Thinking it over! Going to get public reaction - you do not even know how you are going to get public reaction. Will the minister tell us what his personal opinion is of the tax? Will he tell us whether he has had any consultations with the minister in Ottawa, since they are supposed to be co-operating and consulting all the time, when they are going to lay a tax on every Newfoundlander down here who wants to hunt and fish? Can he tell us whether he has had any consultation whatsoever with his federal Tory buddies?

MR. SPEAKER:

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

MR. MATTHEWS:

Mr. Speaker, I do not know if that question even deserves response, but I guess, to be courteous, I will respond.

The situation is that I spent last Tuesday, Wednesday and part of Thursday with the federal Minister of the Environment, the hon. Tom McMillan, in Ottawa. I talked with him on a number of occasions in a group forum and I talked to him on a number of occasions privately. So co-operation and consultation is not a problem between Mr. McMillan and me. The thing is that we have seen federal ministers more in the past year than we saw the Liberal ministers in sixteen years of government in Ottawa.

MR. SPEAKER (McNicholas):

Order, please!

The time for Oral Questions has elapsed.

Petitions

MR. FENWICK:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Menihek.

MR. FENWICK:

Mr. Speaker, I am going to be very brief on this because the prayer of the petition is very familiar. It is: "We, the undersigned, petition the provincial government to put in place the necessary funding to complete the Encyclopedia of Newfoundland and Labrador."

The reason I introduce it today is the petition, Mr. Speaker, is from Dorset Collegiate on Pilley's Island in the district of Green Bay. I would like a specific response from the member for Green Bay (Mr. Peckford) with regard to this petition in order to get some idea of what the problems may be with regard to the government's position on the finishing of the encyclopedia.

Orders of the Day

MR. SPEAKER:

It is Private Members' Day. The motion is in the name of the hon. member for Bonavista North (Mr. Lush).

The hon. member for Bonavista North.

SOME HON. MEMBERS:

Hear, hear!

MR. LUSH:

Mr. Speaker, it is a great privilege to introduce this resolution today, a resolution, Mr. Speaker, that will meet the established criteria by any recognized body of knowledge or institution as an excellent resolution. The resolution, Mr. Speaker, is clear, concise and precise, leaving no room for misunderstanding, no room for misinterpreting and no room for misconstruing. The actions requested by this resolution are clear-cut, succinct and practical.

Mr. Speaker, for the record of the House, let me read the resolution. It says:

"WHEREAS unemployment remains the number one problem affecting the Province of Newfoundland and

Labrador;

"AND WHEREAS it is every day more apparent that the problem requires, as part of a total solution, initiatives that are innovative, aggressive and original;

"AND WHEREAS certain areas of the Province are much more deeply afflicted by the problem of unemployment than the Province in general;

"BE IT THEREFORE RESOLVED that this House deplores government's business as usual approach to critically high unemployment;

"AND BE IT FURTHER RESOLVED that government, upon identification of those areas of Newfoundland and Labrador most seriously ravaged by unemployment, proceed to the designation of those areas as reduced tax zones, for the purpose of providing extraordinary economic stimulus where it is most needed;

"AND BE IT FURTHER RESOLVED that government, as a means of direct stimulus to the provincial economy, and as an encouragement to small business in the creation of jobs, immediately move to a reduction in the provincial sales tax."

SOME HON. MEMBERS:

Hear, hear!

MR. LUSH:

This resolution, Mr. Speaker, recognizes that the economy of this Province is very stagnant. We have a depressed economy resulting in excessively and outrageously high levels of unemployment. The rate, over the past three or four years, has consistently been at the 20 per

cent level with fluctuations vacillating up and down, sometimes a little above 20 per cent, sometimes a little below. But there has been no significant consistent pattern to show that the provincial government have the matter in hand and no consistent drop in to demonstrate that we are on the road to effectively or substantially correcting this problem.

The Minister of Finance (Dr. Collins), in discussing the estimates of his department, indicated that there has been improvement in the levels of unemployment over the past little while. What I suggested to the minister at that time and I still say to the minister, if there is improvement, the Province is still in intensive care with respect to the levels of unemployment in this Province.

Mr. Speaker, this resolution also recognizes the fact that in addition to the direct involvement and the direct participation of federal and provincial governments in job creation programmes, there must also be initiatives undertaken by the private sector. We believe that despite the availability of loans and grants to various businesses, we must understand that the loans and grants made available by the provincial government and the federal government do not apply to all businesses. They only apply to certain types of businesses and industries, but despite these loans and grants, in order for the economy to grow and expand, there must be consumer spending.

It is our contention, supported by many current reputable studies, that consumer spending has been tremendously stymied and stifled

in this Province by various tax measures by both the federal and the provincial levels of government over the past couple of years. When we are talking about consumer spending in this Province, we must look at the combined effect of two budgets. We cannot look at one in isolation of the other. When we talk about consumer spending in this Province and how it has been stymied and stifled over the past couple of years, in particular in the past eighteen months, we must look at the tax measures imposed on the people of this Province by both levels of government, by the federal government and by the provincial government.

Mr. Speaker, the combined effect of tax measures by both levels of government is going to have a devastating effect on the people of this Province, particularly with respect to consumer spending. If the consumers have no disposable cash, if they have no money to spend, the economy cannot grow and expand. Mr. Speaker, this is what we are talking about in this resolution. We are trying to come up with some suggestions that will give the consumer some disposable cash to increase consumer spending, which will cause the economy to grow and expand, which will cause businesses to grow and expand and which will result in new and more employment.

Mr. Speaker, it is just a snowball or mushrooming effect when these things work in co-ordination. When the consumers start spending and the economy starts growing and expanding and we get new and more employment, it means more money for the government, more money that they can spend. So, Mr. Speaker, it works in a

co-ordinated and systematic fashion.

Mr. Speaker, I suppose the question that one could ask is how has the two most recent budgets affected the situation? What will their result be with respect to consumer spending in this Province this year? How will they affect consumer spending? Already we all know that we can start off with certain givens with respect to the Newfoundland economy. We know that we have the highest cost of living attributable to the fact that we have the highest taxation levels in all of Canada, particularly with respect to the retail sales tax. We also have the lowest per capita income. So before we start looking at how these two present budgets will affect consumer spending in this Province, we have these two givens, the highest cost of living and the lowest per capita income.

We can ask the question, without thinking about these two most recent budgets, how are Newfoundlanders and Labradorians going to cope with the tremendous stagnation that is presently being experienced with our provincial economy? How are Newfoundlanders and Labradorians going to be able to cope with the financial situation that this Province is presently in? Where are we in terms of consumer spending? Are we going to be better off this year than we were last year? Are we going to see increased consumer spending as a result of the provincial government's budget and as a result of the federal government's budget? Are we going to have more consumer spending? That is the crux of the problem, Mr. Speaker.

Now, Mr. Speaker, let us look at

some statistics for all of Canada. Let us look at some statistics applying to the country as a whole and see if we can relate that to the Newfoundland situation?

Mr. Speaker, the Canadian Council of Social Development has established the poverty line, or they have established the low income cut off, another terminology that they use, the low income cut off. Some people refer to it as the poverty line, a salary beneath which people are on poverty. The Canadian Council of Social Development has established the low income cut off at \$21,700 for a Canadian family of four living in a Canadian city. Mr. Speaker, I ask you how many families in Newfoundland are below that salary? How would we relate that to the Newfoundland situation?

I would expect if we took half that figure, at \$10,000, we would get some kind of a feeling for Newfoundland and Labradorians. How difficult life must be for these people in trying to make ends meet when we realize that the low income cutoff, nationally, for a family of four is \$21,700. There are some people who think that is a little too high. Statistics Canada, they also have established a low income cutoff figure. The Statistics Canada figure is \$21,000 for a family of four. How many people in Newfoundland, do we expect, are making below \$21,000? Members of the House are not making much more than that.

Now, Mr. Speaker, I say these are national figures, but certainly we can relate them to Newfoundland, and these figures alone, the low income cutoff salary level is at

\$21,000 for a family of four.

Mr. Speaker, we look at inflation. I want to make a few points about inflation in the main because it is government that has been responsible for creating inflation, certainly for increasing inflation over the past two or three years. Both the provincial government and the federal government by their excessive tax measures, have added to inflation in this Province.

Mr. Speaker, these are not just figures that I am throwing off the top of my head, these are facts. It says, 'Inflation has driven the no frills cost, just the basics, of feeding a family up to \$100 per week. Mr. Speaker, can we get the seriousness and the gravity of that statistic? Inflation has driven the no frills cost of feeding a family up to \$100 a week in Canada in the past couple of years. 'Inflation has pushed the average national price for a house to \$82,000.' That might be a little cheaper in St. John's but how much cheaper - \$10,000? We are looking at \$72,000 for a home. Mr. Speaker, is the next generation going to be able to ever own a house, something that has always been cherished by the people of this Province? At those kinds of prices, I think we are going to relegate the next generation to apartments. Young people are not going to be able to afford to buy a house.

Mr. Speaker, another startling statistic, and I want to use the national figures to relate it to Newfoundland. 'Inflation has made \$100,000 a very conservative estimate of the cost of raising one child to age eighteen.' I do not know, Mr. Speaker, whether hon. members got the impact of

that statistic. 'Inflation has made \$100,000', it says, 'a very conservative estimate of the cost of raising one child to age eighteen in Canada today.'

Mr. Speaker, how has this Province added to increasing inflation? Tremendously, Mr. Speaker, even in the last Budget. For example, for the first quarter of this year the cost of food went up by 2.8 per cent. Now, that is an area where the government have not yet got its claws. They have not got their claws into taxing food.

How about tobacco, where we have had two increases? These two increases are included. We have had two increases, one by the federal government and one by the provincial government. For the first quarter of this year the cost of tobacco has gone up 16 per cent. I just use these two figures to illustrate how government, by its tax measures, adds to creating inflation.

Mr. Speaker, what is the situation with respect to the economy this year, then, as a result of the tax measures by this provincial government and by the federal government? I quote here from Woods Gordon Economic Bulletin of April of this year. They are talking about the growth in the Canadian economy, but there are some lines here that I think are important for this House of Assembly and germane to this resolution.

It says, 'A number of factors can be expected to constrain, though not halt, the economic expansion over the next eighteen months. Consumer spending, which has provided much of the impetus for growth, will be significantly blunted by recent increases in

income, sales and excise taxes by both federal and provincial governments.' Here we have it, Mr. Speaker, a reputable firm saying that consumer spending is going to be tremendously stymied and stifled because of tax measures by both levels of government, that by income tax, sales tax, and various other taxes, consumer spending is going to be blunted.

Mr. Speaker, it goes on to say, 'As a result, we expect that most of the spending increase by consumers will have to be generated by employment gains.' Mr. Speaker, it is because of the decrease in consumer spending that this resolution makes the recommendations that it does: One to establish a tax zone in those areas where unemployment is high, in those areas where unemployment is most excessive. And, Mr. Speaker, that is not a recommendation that was just thought up only by the Opposition, although we take great pride in the fact that we did establish this policy a year ago. The federal government followed our lead practically when they did the same thing with Cape Breton, when they introduced that as a reduced tax zone. And this is what we are asking for, a reduced tax zone to encourage the establishment of new business, the growth of existing business so that we can generate employment. It is to increase consumer spending that we ask for a reduction in the retail sales tax.

Now, Mr. Speaker, this document proves that consumer spending is going to be down as a result of the tax measures imposed by both levels of government. We have come up with a solution, we are recommending a solution to ensure

that consumer spending is increased. Our resolution, Mr. Speaker, would have the result of zeroing in on three basic problems faced by this Province, one, it would help increase the economic growth of the Province; two, it would lower inflation; and three, it would help increase employment.

Now, Mr. Speaker, what better resolution could an hon. member present to this House, a resolution that would have the effect of increasing the economic growth, one, number two, lowering inflation and, number three, to increase employment.

SOME HON. MEMBERS:

Hear, hear!

MR. LUSH:

Mr. Speaker, this resolution recognizes that the problems of this Province, by and large -

MR. SPEAKER:

Order, please! The hon. member's time has elapsed.

SOME HON. MEMBERS:

By leave! By leave!

MR. LUSH:

If I may finish, Mr. Speaker? It is just a line.

This resolution, Mr. Speaker, recognizes that the problems of this Province are by and large economic. It also recognizes that the solutions are political. We need a government with the political will, the political desire and the political initiative to solve the problems. Mr. Speaker, I suggest that the problems can be solved and I call on all hon. members today to do the consumer a favour, to do small business a favour and see that this resolution is acted upon

immediately.

Thank you, Mr. Speaker.

AN HON. MEMBER:

Hear, hear!

MR. POWER:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Career Development and Advanced Studies.

MR. POWER:

Mr. Speaker, I just want to spend a few moments today questioning exactly how the Liberal Opposition, the alternate government, which they portray themselves to be, wants to solve the unemployment issues in this Province. I missed the first part of the member for Bonavista North's (Mr. Lush) comments, but at 4:08 p.m. or so - and it will be shown in Hansard quite clearly - he says, 'A decrease in consumer spending is the reason why the resolution is here, and the way to solve employment or unemployment is by increased spending.' I cannot, for the life of me, imagine an Opposition party and their spokesman, as it relates to labour and employment issues, saying that the only way, or the sole way, or the most important way, or the way they would do it if they were over here is to reduce the sales tax to solve all the unemployment woes of every soul in Newfoundland.

The first WHEREAS says: "WHEREAS unemployment remains the number one problem affecting the Province of Newfoundland and Labrador", and the last passage says: "BE IT FURTHER RESOLVED that government, as a means of direct stimulus to the provincial economy, and as an encouragement to small business in

the creation of jobs, immediately move to a reduction in the provincial sales tax." Can you imagine such a simplistic approach? The Liberal party's position on solving the unemployment problems in Newfoundland is to raise or to lower the sales tax, and to raise consumer spending in Newfoundland. Mr. Speaker, either they have a fundamental ignorance about economics or a fundamental total ignorance of the economy in Newfoundland, to think that simply by consumer spending in Newfoundland we are going to solve our unemployment problem. If we had a totally closed economy, if we produced everything that we consumed, then, sure, consumption would increase production within Newfoundland and by increased consumption and, therefore, increased production within Newfoundland, we would create a large number of jobs in both the consuming side and in the producing side. Unfortunately, Mr. Speaker, what happens in Newfoundland, because of the type of economy we have, is that the vast majority of things that we consume are not produced within Newfoundland, and thereby the simplistic approach of trying to say that by simple reductions in sales tax and increased spending somehow or other we are going to employ the number of persons who were unemployed in Newfoundland last year.

Mr. Speaker, I have to say that since this Session of the Legislature opened there has not been one single question about employment, about how to solve the unemployment needs in Newfoundland, not one single suggestion. There certainly has not been a comment about this month's statistics, which I will

gladly table for members opposite, because they obviously have not seen them. Mr. Speaker, back in April of 1985 the actual number of unemployed people in Newfoundland was 56,000, and the adjusted was 53,000, if you average it out over a yearly period. The number of employed people in April of 1985, by provable statistics, was 161,000 employed. That is April of 1985. Do you know how many people were employed in April of 1986, just one single year? Almost corresponding to April of 1985, the election of a Tory Government, the Peckford Government as opposed to the Barry alternate government, who wants to simply reduce sales tax as a means to stimulate the economy, there are 10,000 more people today, this April, this year, working in Newfoundland than there were in April of 1985, and we have not reduced the sales tax.

Now, Mr. Speaker, if you take the member for Bonavista North's logic, then, obviously, something must be wrong. There cannot be 10,000 more people working in Newfoundland this month this year than there was a year ago, because we have not reduced the sales tax. The sales tax is still at a level that most persons on this side of the Legislature would prefer to have reduced, but because we have to have a large amount of social services in Newfoundland, we have to have a 12 per cent sales tax.

I hope nobody on the opposite side or in the Province of Newfoundland and Labrador thinks that we have a 12 per cent sales tax because we just want to have 12 per cent, because it is a nice even kind of figure, or because we want to collect money. We collect that 12 per cent sales tax, do you know why? As Chairman of the Social

Policy Committee of Cabinet, obviously I am somewhat aware of how much money we spend in the social sector. Most persons in the provincial jurisdiction do not know that 61.8 per cent of the provincial budget, \$1.6 billion of a little over a \$2 billion budget, is spent on the social sector in Newfoundland. That is why we have to have a 12 per cent sales tax. If you take the logic of the member opposite and you reduce the sales tax, you stimulate the economy and everybody lives happily ever after, who pays for the hospitals? Who pays for the schools? Who pays for social services? Who pays for job creation programmes? Obviously the money has to come from somewhere.

When the Leader of the Opposition was over at the university trying to hoodwink some students into thinking that if the Liberal Party of Newfoundland became the Liberal Government of Newfoundland, then all of a sudden they would find some fountain of youth, some great pot of gold at the end of the rainbow and all our problems would be solved, I heard a student ask the Leader of the Opposition, "Do you have, as Leader of the Opposition, some kind of magic formula, some kind of magic tree that you can pick money off and nobody else in Canada can?" And the Leader of the Opposition simply had to say, "No, there is no magic way to create money. There is no magic way for a government to get money." You have to raise it through taxes. You have to spend it in the social sector, in the government sector or in the resource sector. In the case of Newfoundland, this year we spent \$1.6 billion, a fair chunk of it raised through the 12 per cent sales tax, on social services

in this Province.

Members opposite are inconsistent, they do so little research, they do not do their homework, they have no planned approach about the economy of Newfoundland or the improvement of Newfoundland. Yesterday the member for St. Barbe (Mr. Furey) got up and was very soundly trounced by the Minister of Municipal Affairs (Mr. Doyle) when he wanted more money for municipal services, such as water and sewer. Today the member for Gander (Mr. Baker) was severely trounced by the Minister of Education because the member for Gander wants more money for small schools, small communities and education in this Province while, at the same time, the Liberal Opposition says, "Collect less money, spend more money, reduce the sales tax and everybody works in Newfoundland."

Obviously there is very little support in the Liberal Opposition for the member for Bonavista North's (Mr. Lush) resolution. There is very little belief that by simply reducing sales tax and by increasing consumer spending you can solve the unemployment problems in this Province.

Mr. Speaker, the member for Windsor - Buchans (Mr. Flight) talks about new ideas. The member for Windsor-Buchans was a member of this Legislature for a while and he was out for a while. He came back for another little while, but he will be out again because he is going to prove to the people of Windsor - Buchans that he has no new ideas, that he is simply here to try and fight the paper companies, to try and fight against good forest management which does protect jobs, which will create employment

in Newfoundland, which will significantly improve the quality of life, which will give more money for persons to spend, thereby enabling government to collect more taxes to supply more social services. The member for Windsor - Buchans is going to prove to his constituents, in this short term, that he is going to become an alternate member; every second term he might get elected, when people forget what he said during the term he was here.

I listened to the member during the last term he was here: He fought the paper companies, he tried to unemploy paper workers, he tried to prevent any wildlife management in this Province.

MR. FLIGHT:

A point of order, Mr. Speaker.

MR. SPEAKER (Greening):

A point of order, the hon. the member for Windsor - Buchans.

MR. FLIGHT:

Mr. Speaker, I have no problem with the member's diarrhea of words that we have been listening to for the past half hour. The member has been here long enough to know that if he is going to attach motives to one's performance in this House he has to be honest. And he is being less than honest right now, and that is out of character for that particular member.

MR. TOBIN:

To that point of order, Mr. Speaker.

MR. SPEAKER:

To that point of order, the hon. the member for Burin-Placentia West.

MR. TOBIN:

Mr. Speaker, it is obvious that the Minister of Career Development and Advanced Studies (Mr. Power) has touched a very sore point with the member for Windsor - Buchans (Mr. Flight). He has exposed his performance in this House, he has told the member for Windsor - Buchans what he stood for in the past and what he stands for in the present. Mr. Speaker, I think the Minister of Career Development is certainly exposing the member for Windsor - Buchans and, indeed, the philosophy of the Opposition as it relates to the way they want to create jobs in this Province.

MR. SPEAKER:

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

The hon. Minister of Career Development and Advanced Studies.

MR. POWER:

Mr. Speaker, I know I touched a nerve with the member for Windsor - Buchans (Mr. Flight). It is not a personal nerve I touched, it is a nerve of the Liberal Party of Newfoundland and Labrador, because they simply have no position as it relates to the management of this Province and job creation. They got up here today with the silliest resolution that this House has seen in a long time: You can solve all the woes of Newfoundland by reducing the sales tax.

Now, the member for Windsor - Buchans knows that when he fights against a forest management programme, when he is against a spray programmes he is saying, 'As a government in Newfoundland you had better jeopardize one or two thousand jobs in this Province.' And the sales tax, Mr. Speaker, is not going to affect that problem.

MR. FLIGHT:

A point of order, Mr. Speaker.

MR. SPEAKER:

The hon. the member for Windsor - Buchans.

MR. FLIGHT:

As the Speaker will know, if the hon. member is going to attribute motives, he has to be honest. I have never fought against the spray programme and I have never fought against good forest management. I have fought for good forest management, Mr. Speaker, and the member knows that. He is again being dishonest in this House. He is probably deliberately attempting to mislead this House, Mr. Speaker.

MR. TOBIN:

To that point of order, Mr. Speaker.

MR. SPEAKER:

To that point of order, the hon. member for Burin - Placentia West.

MR. TOBIN:

Mr. Speaker, the member for Windsor - Buchans is treading on very thin ice when he makes these types of accusations across the House against the Minister of Career Development. The fact of the matter is, the truth hurts sometimes, Mr. Speaker. Maybe the member for Windsor - Buchans made a mistake when he was attacking the Forest Management Programme, maybe he was mistaken when he was trying to prevent jobs being created in this Province. The fact of the matter is, he cannot be allowed to stand up in this House and make such accusations across the House against the Minister of Career Development and Advanced Studies.

MR. SPEAKER:

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

The hon. the Minister of Career Development and Advanced Studies.

MR. POWER:

Mr. Speaker, obviously the member for Windsor - Buchans, who does not sit in his seat all that regularly, is here now and he is going to try and disrupt my thoughts and my opinions about the silliness, the absolute silliness, the fundamental economic immaturity of a party that could pose this resolution as a means of solving the unemployment problem in Newfoundland. I have sat in this House as the Minister of Forestry and as a member, and I have listened to the member for Gander, before he was a member and since, I listen to the member for Stephenville, I believe - was it Stephenville or Gander? - who responded one day about the forest spray programme, I have listened to the member for Windsor - Buchans, when he was here before and now, and I know as one person who sat in this House continuously, not in out and in, but continuously for a twelve year period -

MR. FLIGHT:

You had a rough time getting here.

MR. POWER:

Only rough in the beginning, but not rough when the people of Ferryland and the people of Newfoundland realize that somebody comes here who is willing to do a good job, not simply to play games with people's lives like this resolution is doing today, trying to convince people that simply because you go to the store and pay 9, 10 or 11 per cent tax, that somehow or other, when you go home

in the evening, your son or daughter who is unemployed is going to be employed because you paid a cent or two less at Woolco or K Mart when you bought a few goods. Mr. Speaker, it is simplistic, it is silly, and if it does not show deception, it shows a fundamental ignorance about economics and about Newfoundland.

Mr. Speaker, let me tell you how to solve the unemployment problems in Newfoundland. Why have we reduced the unemployed numbers in Newfoundland by 10,000 individuals over a one year period? Why have we done that and how have we done it? We have done it, Mr. Speaker, by having a good forestry programme, by having a good silviculture programme, by assisting the paper companies, by assisting the small sawmillers in this Province to run their companies properly, by giving them grants, by giving them assistance to open up forest access roads, by giving them help in marketing. I know, when I was Minister of Forestry, we gave a grant of \$40,000-odd to the Newfoundland Lumber Producers Association to help them grade their lumber properly so that they could get into more markets. That created jobs in Newfoundland. That is good forest management.

What have we done in Fisheries, Mr. Speaker, to get 10,000 more people working this year than last year? What have we done in Fisheries? Mr. Speaker, I represent a part of Northeast Newfoundland where we have, in my district, nine or ten fish processors. How do we keep those processors going? How do we keep those jobs safe in Newfoundland? It is not, Mr. Speaker, by reducing the amount of retail sales tax that they pay on their

cutting machines, or pay on their fork-lift, we keep them in place by giving them marketing assistance, by giving them government grants. Thirty million dollars of taxpayers' money in this budget, this year, goes into making sure a lot of the small fish plants are stable, have working capital and can pay their workers and their fishermen a fair return on the work that they put into those companies.

So in the fishing industry, Mr. Speaker, we have done a large amount. Why is Fishery Products International going to show a profit this year? Why is Burin successful? Why is Grand Bank doing okay? Why has the Fermeuse plant just been sold to a very successful Portuguese company? Why do we have people working there today? Mr. Speaker, it is not because the sales tax was reduced, like the member for Bonavista North (Mr. Lush) says, it is not because you are going to reduce the sales tax and increase consumer spending. That is not why people are working in Burin and Grand Bank, or why FPI will make a profit this year. They will make a profit and they will employ people in Newfoundland simply because we have a good fishery management scheme. The only problem we have in Newfoundland, more than any other, is that if we had more control of the fisheries resource, if we had more access to fish, then you would have more very successful Grand Banks and Burgeos and Burins and Fermeuses than you have today.

Mr. Speaker, I have to say that simply reducing the sales tax in Fermeuse will not make anybody have any more money. It does not make anybody more employable. It simply says that you have an

economy in Newfoundland where you have put some money into the resource sector, and you spend 62 per cent of your budget in social services, health, education, welfare, a whole range of things to make sure that we have in this Province, besides having people employed and besides having long-term plans, on a temporary basis, fair access to welfare, fair access to health, fair access to education. Those are the things we have done.

MR. FLIGHT:

Tell us about the jobs.

MR. POWER:

Which jobs would you like? The Canada job strategy? The 10,000 jobs that are here and members opposite would wish were not here? That is the craziest thing about democracy that I have ever seen, that members of the Opposition have to wish all of the ill will on the people of the Province they wish to represent and then hope that all their ill wishes come true, then the government is turfed out and they, who wished all this badness on the public, are then put in place as a government. That is the craziest thing about democracy that I see.

MR. FLIGHT:

Mr. Speaker, a point of order.

MR. SPEAKER:

A point of order, the hon. the member for Windsor - Buchans.

MR. FLIGHT:

The minister cannot continue to attribute motives, you know, what the Opposition wills on the general public of this Province. I would give the minister a chance now to explain to the House or to clarify these 10,000 jobs that he referred to over and over again in

his speech. Are these 10,000 stable, permanent jobs, or are they the jobs created by the Fisheries Programme and Canada Works Projects?

MR. SPEAKER:

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

The hon. the Minister of Career Development and Advanced Studies.

MR. POWER:

Mr. Speaker, the member for Windsor - Buchans, because he knows we are touching the core of the Liberal Party, a party without plans, a party without programmes, a party that is simply a bandwagon party, depending on who is in the Gallery - if it is NAPE, they will jump on the NAPE bandwagon, if it is fire-fighters, they will jump on the fire-fighter bandwagon, if it happens to be the Association for the Mentally Retarded, they will jump on that bandwagon. They are a bandwagon party. They have no programmes. They have no plans. The 10,000 jobs are there.

Now, as the member opposite says, sure some of the jobs we created are short-term, temporary, make-work kind of projects. But tell me, Mr. Speaker, was Churchill Falls any different? Churchill Falls, the biggest single construction project this Province has ever seen, was that anything more than a make-work project? It might have gone on for four or five years instead of four or five months, but look at what they gave away in order to get it.

MR. FLIGHT:

Hinds Lake, Cat Arm.

MR. POWER:

They are benefits for the people

of Newfoundland.

MR. FLIGHT:

Not Cat Arm.

MR. POWER:

Cat Arm was a project that was developed. You cannot compare Cat Arm with the Upper Churchill?

MR. FLIGHT:

Why not?

MR. POWER:

Because in the Upper Churchill we gave away a tremendous resource with little or no benefit to the people of Newfoundland, whereas we developed the Cat Arm and the Upper Salmon and the Bay d'Espoir projects for the benefit of Newfoundland and gave nothing away. That is the difference, Mr. Speaker, because they believe that as long as you have people working today, that is okay, there is no long-term solution.

What we have done in the fisheries, forestry, in our tourism marketing promotion and the development that we have done over the last few years, including what we have done with the Hibernia oilfield offshore, has long-term benefits for the people of Newfoundland. When the jobs come, they will be long-term. They will not be temporary. Come By Chance was another make work project of Joey Smallwood, short-term and temporary, not based on economics, not based on sense, not based on logic, but based on the politics of the day for the Liberal Party, to make sure they get elected and be damned to the future of Newfoundland. That is the difference between the members opposite and us. They think that today, to solve the problems of Newfoundland, one should reduce

sales tax, get on the sales tax popular bandwagon, get over on this side and then do everything they can and connive any way they can to stay in power. That is the difference between the Peckford administration and the administration over there, if, God forbid, they ever get to be over here. They would try and do anything they could to make sure that they would stay elected. The same as today, Mr. Speaker, where they would jump on any bandwagon they can to get over here.

This government intends to solve the unemployment problem in Newfoundland. We intend to solve it based on sound economics, based on good sense, based upon the resources that we have, not Come By Chance, not Upper Churchill type arrangements, but based on the resources that we have, the fishery, forestry, mining, agriculture, a tourism industry and the offshore oil industry. That is how we will solve the problem. That is how we went from 161,000 employed last year to 171,000 employed this year, and we will go to 181,000 employed next year, Mr. Speaker. We will get there not based on a simplistic, silly, asinine reduction of 1 per cent or 2 per cent in the sales tax, but based on sound planning, based on good economics, and based upon the resources that we have.

SOME HON. MEMBERS:
Hear, hear!

MR. POWER:
Then, Mr. Speaker, when we have those resources all functioning and we still need \$1.6 billion for social services, a good school system, and a good health system, we will get that \$1.6 million from earned income, from income tax, from other sources of revenue and

from corporate income tax within Newfoundland. We will not have to gain it by sales tax. Then, and only then can you reduce the sales tax. To do one without the other, Mr. Speaker, is absolutely silly and simplistic. It simply shows to me this resolution, which obviously has very little support within the Liberal Party and very little support within the Opposition, and it certainly has no support on this side of the House, that there are things that we have to do.

MR. SPEAKER:
Order, please!

The hon. the minister's time is up.

MR. POWER:
Yes, we will solve the unemployment problems in this Province. Mr. Speaker, we intend to do that based on sound, long-term planning and not on the short-term, silly, bandwagon solutions of the members opposite.

SOME HON. MEMBERS:
Hear, hear!

MR. K. AYLWARD:
Mr. Speaker.

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

MR. K. AYLWARD:
Thank you, Mr. Speaker.

It is a pleasure to speak to this resolution today. After listening to that spew there or whatever that was, I will get into my comments. I am not even going to response to such remarks which are nothing but pure politics and a sign of a lack of ideas.

Ten thousand more people are

supposedly employed this year than there was last year. A couple of months ago we hit a historical high of 100,000 people collecting unemployment insurance in this Province. It is the first time in history. We did not see a minister come in then with a report or a Ministerial Statement stating that this was something that we really must reckon with and that this was something that we had to deal with. There was no sign of any of the twenty-two ministers getting up and admitting that we have a major problem in this Province. Instead, we have a glossed over statistic coming to the House of Assembly. 'We have created 10,000 more jobs from last year'.

Talk about economic approaches, they have all the plans in the world. They are going to improve the economy of Newfoundland and Labrador, and this resolution can make no contribution to that. We have no understanding and nobody in Newfoundland has any understanding out there. Anybody who opposes this administration or one idea of it has no idea how to reckon with the problems of this Province.

I was reading a business magazine in Newfoundland, Business Newfoundland, the third edition, Special Show Guide - Construction and Home Expo '86, and the editorial reads: "Premier's Office Not Interested. It seems a strange thing when a government that places such emphasis on development in the business sectors is not interested in supporting an exclusive business publication for Newfoundland by Newfoundlanders.

"Such was the response from the premier's office when approached

for a letter of congratulations on the first issue of Business Newfoundland magazine."

SOME HON. MEMBERS:

Shame! Shame!

MR. K. AYLWARD:

"After seeing letters in every possible publication from the smallest newsprint rag on up to other mass market publications, I believed wholeheartedly that a highly informative, quality publication would be welcomed with opened arms by our devoted leader. Not so. 'We're just not interested' was the response from the premier's press secretary."

AN HON. MEMBER:

Shame!

MR. K. AYLWARD:

"Second issue. A second denial and a political run-around from the premier's office. A well versed chorus of 'maybe's. A letter sent to the premier himself. No reply. Now, the third issue. A general reply of: 'Haven't come to a decision yet. Call us Monday. Call us Tuesday.'" That is the policy and philosophy of this provincial government, when a business magazine produced in Newfoundland cannot even get a letter of congratulations from the Premier of this Province. I think it is a shame. I think it speaks of this administration.

DR. COLLINS:

We are not spending enough money on advertising.

MR. K. AYLWARD:

You are not spending it in the right manner, Sir. Spend it in the right manner instead of the foolishness that you are doing with it now.

So I would suggest, before I get into my remarks, especially pertaining to improving business in Newfoundland and Labrador, Mr. Speaker, let the Premier be directed to at least welcome this good edition of a magazine that talks about business in Newfoundland and expresses the points of view of business people, at the very least, address the magazine and give them some encouragement and some input, as they did request a number of times.

So the initiative is not there and the policies are not there.

DR. COLLINS:

I do not think you are aware of what that magazine is.

MR. K. AYLWARD:

I am not aware of what that magazine is?

MR. DECKER:

The Minister of Finance knows what it is.

MR. K. AYLWARD:

I measure a Premier or an administration on the unemployment rate, Mr. Speaker.

MR. TULK:

Tell the hon. gentleman that we will pay for a subscription for him.

MR. K. AYLWARD:

We will pay for a subscription. As a matter of fact, I will take it out of my pay.

Mr. Speaker, I measure an administration on its unemployment rate, and on this one, they would not get a fifty, they would not get a forty-nine. They would be kicked out of the classroom because they have not been doing anything for the last five or six

years. I think it is time they really sat down and started plotting out some kind of plan of action to attack this problem.

We recently had 100,000 people on unemployment insurance, a record in the history of this Province, and yet there was not a whimper, there was not a sign, there was not any recognition of that fact by this administration, not a sign that, 'Yes, we have a major catastrophe out there.'

This resolution puts forward an initiative. It does not put forward a total policy. It does not put forward our all-being or what we want to do to improve the Province. This is one initiative put forward by my hon. colleague, and it was ably put forward, I might add. So when the member for Ferrysland (Mr. Power) gets up and says this is the be-all of the Liberal Party, it is total deception, as far as I am concerned. We are putting forward one or two ideas in this resolution which can be considered by the administration, which is the role of the Opposition. Its role is not to say nothing but be critical all the time. We have given him lots of ideas, ideas on youth unemployment, for example, but he does not want to address that. There is 40 per cent youth unemployment and they do not want to do anything about it. Other provinces in this country are doing things about it. 'No, we have decided we are not going to bother because, well, you know, we need money for our renovations, we need money for this and we need money for that. To heck with the youth of Newfoundland and Labrador.'

It is a sad, sad thing when a province is in this state of

affairs. People out there are looking for a sense of direction. They are saying, 'How many more years are we going to have to put up with this?' They got hoodwinked in the last couple of elections on offshore oil, putting all their marbles in one basket and now we see what exactly is happening to the offshore.

We would like to see something happen with the offshore but when you put all your marbles in one basket, what can you expect. People out there, especially in rural Newfoundland, are starting to shake their heads and say, 'We are starting not to believe this Premier, we are starting not to believe this administration.'

MR. DECKER:

Why would they say that?

MR. K. AYLWARD:

I do not know why they would say that but they are starting to say that and they coming up to me and telling me this and I am very pleased. I am finally starting to say, 'Well, boy, I was not totally wrong either.' People are starting to come along and say to me, 'You know, you probably were right. We are starting to see the light.' They are going to start seeing the light more and more every day and the light is really going to start shining.

We are going to keep presenting alternatives to this administration because that is easy to do when you are as bankrupt of ideas as this administration is, any one you put forward is a good help. At least people out there say, 'The Liberal party is putting forward some ideas on how to solve the problems around here,' instead of this wishy-washy business. For

example, we sign a forestry agreement with 70/30 cost share ratios.

MR. FLIGHT:

Is that more money than the previous one?

MR. K. AYLWARD:

That is more money than the previous one, he tells us.

MR. BAKER:

The Minister of Forest Resources and Lands (Mr. Simms) should listen to this.

MR. K. AYLWARD:

I cannot understand it to tell you the truth. I am very simple minded I think and I think everybody else in Newfoundland is too because one fellow came up and he said, 'It was 90/10 before and not it is 70/30, is that not less money being put in by the federal government?' I said, 'Yes, that is exactly what it is.'

MR. DECKER:

How do they explain that?

MR. K. AYLWARD:

They explained it as more money from the federal government or more money from their own coffers.

MR. DECKER:

Newspeak, in 1984, newspeak.

MR. K. AYLWARD:

Yes. So this is the new way and the new math.

MR. DECKER:

What a bunch of con artists.

MR. K. AYLWARD:

And we wonder why this Province is in such a state of disrepair. We wonder! People out there are wondering why the unemployment rate is so high.

You get a minister coming down from Ottawa getting an agreement which took a year and a half to get and it is a 70/30 arrangement for four years. Then he says we have a better agreement than we had the last time. Now, it is going to cost us more money to maintain the status quo. As far as I am concerned, I would be ashamed. I would not settle for that. If that administration had any guts over there or they were fighting for Newfoundland and Labrador, they would be up there saying, 'No, Sir, we want at least the same thing, we want at least a 90 per cent as there was the last time.' We are in worse financial state than we were a few years ago and we settled for a 70/30 financial arrangement. Unreal! That is unreal.

Now they are up there thinking about a tax to put on hunting and fishing and everything else and the minister gets up and says, 'You know, we have to get public reaction.'

MR. DECKER:

He says it is a good idea.

MR. K. AYLWARD:

'We do not know yet. I have not met with the officials but then I have, but I am not sure what I have done yet and I do not know what I am going to say.'

MR. DECKER:

Who is this?

MR. K. AYLWARD:

This is the Minister of Culture, Recreation and Youth (Mr. Matthews).

'So, we are not sure if you are going to like this tax or not. We do not know for sure. We are going to gage public reaction.'

How are you going to gage public reaction? 'I do not know yet, we still have to find that out.'

This is what you call economic policy, this is what you call a government that is planning for the future. As far as I am concerned it is the most amateur operation that was ever run in the history of Newfoundland and Labrador and it is time that they woke up, shifted around and got out of their seats and started to do something about the problems that we face in this Province.

MR. DECKER:

They are like dogs in a manger. They cannot do anything themselves.

MR. K. AYLWARD:

Yes, that is right my hon. colleague, they cannot do anything themselves at all and it is a sad state of affairs in this Province.

I have to read the resolution which was very, very ably put by the hon. member:

"WHEREAS unemployment remains the number one problem affecting the Province of Newfoundland and Labrador; and

"WHEREAS it is every day more apparent that the problem requires, as part of a total solution" - as part of a total solution, as part of it - "initiatives that are innovative, aggressive and original; and

"WHEREAS certain areas of the province are much more deeply afflicted by the problem of unemployment than the province in general;

"BE IT THEREFORE RESOLVED that this House deplores government's business as usual approach to

critically high unemployment; and

"BE IT FURTHER RESOLVED that government, upon identification of those areas of Newfoundland and Labrador most seriously ravaged by unemployment, proceed to the designation of those areas as reduced tax zones, for the purpose of providing extraordinary economic stimulus where it is most needed."

MR. DECKER:

Now that makes a lot of sense.

MR. K. AYLWARD:

That makes some sense. We are throwing this out as an idea. We do not have all the manpower and all the research ability that is provided to the hon. ministers across the way, but we will throw out an idea for them. We will throw out a positive idea. Cape Breton now has a free tax zone over there trying to get businesses to come in, initiated by the federal Tory government. It is an idea. We are not saying it is going to work, we do not know for sure, but we throw it forward as an idea.

"BE IT FURTHER RESOLVED THAT government, as a means of direct stimulus to the provincial economy, and as an encouragement to small business in the creation of jobs, immediately move to a reduction in the provincial sales tax." This, supposedly, will not solve anything, and this cannot be done and is no good, yet it is recommended by the Small Business Association of Newfoundland and Labrador in their report to the government. They would like to see the provincial sales tax lowered.

Maybe the small business people on this Island do not know what they

are talking about either. That is what it is, I think, obviously by the support of the Premier for the Business Newfoundland magazine, which is trying to get the views and the voices of people in business and which is not supported by the provincial government. It is amazing! It is an administration bankrupt of ideas.

We put forward initiatives and ideas. You should do more advertising -

MR. TULK:

For certain things.

MR. K. AYLWARD:

- for certain things. We put forward initiatives and ideas. We are not saying they are the be-all and the end-all but we are a constructive Opposition which is trying to help solve some of the problems in this Province, which is a lot more than the administration is doing right now.

Again, the test of an administration is the unemployment rate and whether or not it goes down, whether or not it goes up. This administration has failed miserably. It has constantly stayed up around 25 per cent, 22 per cent, 23 per cent. The real unemployment rate I would not hazard a guess because it is that high. I would not want to alarm people out there. But the working man - I would not call it the working person in Newfoundland and Labrador since half of them have not had a job. Our young people especially have not had a job in their lifetime and probably will not see one if this administration stays in power.

So how can they say that they have

a positive economic development scheme? What is a positive, economic development scheme? I would like to know. Is it an arrangement where we get 90/10 out of 70/30, arrangements that go from 90/10 to 75/25, arrangements that see the EPF cut back, which may see our university shut down by September because they do not have enough money to give their people down there. This is what I call initiatives being taken by this government that are really going to help Newfoundland and Labrador move into the 1990s. I do not know if we are going to reach the 1990s with the way that things are going right now.

This administration does not have a vision as such. They built people's hopes up on the offshore and everybody in this Province, no matter what way they voted, want to see the offshore go. We should be up in Ottawa and we should be saying to Ottawa, 'Look, the prices have fallen in oil, we need some help down here.' The hon. the Premier of Alberta has done that, other premiers have done that to get their offshore going or to get their oil business going, or to get any business going. Yet, our administration says, "Well, we are not going to bother Ottawa, we are not going to bother them for any help whatsoever. They do not have a shared interest in what we want down here. We have to survive on our own." That to me is a sad, sad way to be, it is a sad way to put Newfoundland's interest forward. It means you are not even putting them forward. It means that we are going to let things go and leave them be.

The status quo is not good enough any more. It is not good enough and it is going to be the same way

for the next couple of years. It is too bad that we have to put up with such a lack of ideas, such a lack of initiative by this administration. It is something that the Province is going to have to suffer for for a couple of more years.

Hopefully, there is going to be some light at the end of the tunnel because we in the Liberal Opposition are going to continue to put forward some decent ideas, even some wild one so you over there will think about something different instead of the status quo, which is not doing the job right now. We are going to put policies, we are going to put money figures on them, and you are not going to be able to look at us and say we do not have any ideas any more because we are going to have the ideas. We have some now and we have more coming.

When we get ready to take over, we are going to have a plan of action that is going to knock the shoes right off the Tories here in Newfoundland. They are not even going to know what hit them. They are going to say, 'Now how are we going to battle that?' We have good ideas. The Liberals have ideas. As a matter of fact, the Liberals have good ideas.

We are going to battle Ottawa and it does not matter what stripe they are. We do not care what stripe they are in Ottawa but we are going to battle them when they are going to do us in. We are going to battle them when they are going to cut back our education funding. We are going to battle them when they are going to cut back our forestry funding. We are going to battle them whenever they cut back anything that has to do with Newfoundland, FFTs and

everything else. We are going to fight for Newfoundland and we are going to be the fighters for Newfoundland. As the Opposition, we have to do that now. It is unfortunate that this administration has seen fit not to bother.

On that note I support this motion put forward by my hon. colleague from Bonavista North (Mr. Lush). It puts forward a couple of initiatives that should be taken again, that should be looked at, researched and so on. They are good ideas that can be positive for the Province of Newfoundland and Labrador and not this status quo, business as usual, 25 per cent unemployment.

Thank you, Mr. Speaker.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

Order, please!

MR. PEACH:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Carbonear.

MR. PEACH:

Thank you, Mr. Speaker.

I would like to make a few brief comments, unless my friend, the Minister of Finance (Dr. Collins) wants to go. I will give leave to him.

DR. COLLINS:

No.

MR. PEACH:

Okay, Mr. Speaker, I will continue.

On the resolution, Mr. Speaker, put forth by my friend the member

for Bonavista North (Mr. Lush), I noticed in his opening remarks and having listened briefly to the Minister of Career Development and Advanced Studies (Mr. Power), it is obvious what the Opposition is attempting to do here with their resolutions. They are trying to pick what they feel are politically catchy issues and something that they can alarm the public on. That is very evident in the resolution of the member for Bonavista North (Mr. Lush).

He knows full well, as we all do, that unemployment is a problem that has faced our Province and many part of Canada, indeed the Western World, in this last four or five or six years in particular. He feels now, under the direction of his leader, of course, that probably this might be an issue that might catch on and might be something that they could alarm the general public with.

I notice as well the member for Port de Grave (Mr. Efford) has given up on his issue as it relates to electricity rates in the Province. The member for Windsor - Buchans (Mr. Flight), last year, with some of the comments and the apparent confusion that exists with the Auditor General, he wants to bring in something with regard to the Auditor General's Act which was discussed when I was on the Public Accounts Committee and, I think, dealt with at that time rather effectively.

Then, of course, the member for Twillingate (Mr. W. Carter) is now into the Unemployment Insurance Act in his resolution. The member for Burgeo - Bay d'Espoir (Mr. Gilbert), of course, is in on the water and sewage systems. I am

sure he has been assisted by the Leader of the NDP Party who has recently been, I understand, sending out thousands of pamphlets to the municipalities in the Province with so called information which was clearly pointed out yesterday by my friend and colleague, the Minister of Municipal Affairs (Mr. Doyle) as incorrect information.

Then, of course, the railway is another issue that I am sure we all realize the Opposition is going to lose and lose badly on. That is another resolution on the Order Paper by the member for Bellevue (Mr. Callan). Mr. Speaker, the list of motions goes on and on with the member for Port de Grave (Mr. Efford) on the Social Service Department expressing his dissatisfaction and so on.

However, Mr. Speaker, to look at the resolution at hand. I am sure if the member for Bonavista North (Mr. Lush) had looked and had read and listened to the initiatives and the plans put forth by this government over the past number of months - well, I guess since being elected last year in April - he would very quickly realize that this government has taken initiatives which do affect and will affect the great unemployment problem we have in this Province. We have taken initiatives, we have been innovative. As well, Mr. Speaker, I am sure the reduction of sales tax is something which all of us here in this hon. House, regardless of what party we belong to, would like to see. I am sure the Minister of Finance (Dr. Collins) would be very pleased, if the point in time came, to stand in this House and announce that we had completely wiped out provincial sales tax.

I am sure we all realize, Mr. Speaker, that taxation is part of our democratic system. And although taxes might not be at a stage which we think acceptable and which the public and the consumer in the Province would like to see lowered, I am sure we all realize at this point in time they are at a stage where they have to be.

Mr. Speaker, in looking over the Throne Speech for 1986, which was delivered in this House a number of months ago, many of the issues that the member for Bonavista North raises in his resolution are addressed very clearly in the Throne Speech.

Mr. Speaker, I notice that the member for Bonavista North seems to, of recent days, have become a little bit naughtier than his usual self, for some reason. I sort of gave him a little more credit up to a few days ago, because he always performs very well in the House, he is a person you can always count on to put forth something very positive. But these last few days he has gotten into some nasty pills, because he has been very, very nasty and has not been his usual self.

MR. BUTT:

That is right.

MR. PEACH:

I do not know the reason for that, but I hope he gets out of it when he gets out to his Summer home in Terra Nova. I hope that the fresh air will do him good and that it will not be taxed, and that when he breathes it he will be revived and come back to the House in the Fall with a much better attitude.

SOME HON. MEMBERS:

Hear, hear!

MR. PEACH:

Mr. Speaker, the Throne Speech addressed very clearly, and I refer hon. members to page 12, the fact that government is committed to the development of a strong, vibrant, small business sector, which was referred to by the member for Bonavista North.

It goes on, Mr. Speaker, and I am sure I am allowed to quote from the Throne Speech, 'While the contribution to the provincial economy by this sector is already very significant, there remains substantial opportunity for expansion.' A clear indication, Mr. Speaker, that the government realizes that opportunity for small business is out there, and the opportunity has to be expanded upon. 'In recognition of this, our government has entered into negotiations with the federal government to establish a joint agreement on initiatives for industrial and small business development.'

And it goes on to say, Mr. Speaker, 'Through some changes in our own Loans programmes at the provincial level, financial assistance is offered.' And the Opposition was quite upset some time ago, if members will recall, by what they defined as rural Newfoundland. The Minister of Rural Agriculture and Northern Development (Mr. R. Aylward) was under attack in this House one day because the government was providing small business incentive loans to places such as Gander, which the opposition maintained were not rural.

Some business entrepreneur in Gander decided that he should go down the Gander Bay road and start

up some kind of a small business that would employ eight or ten people, and it was questionable if this government should provide financial assistance. Now, Mr. Speaker, it should be pointed out very clearly that in the past Budget, delivered by the Minister of Finance in this House a month or so ago, it was clearly indicated that under the Department of Rural, Agricultural and Northern Development our farm loans and our rural development authority loans have been increased from \$25,000 up to \$50,000. That is a doubling, Mr. Speaker, of the amount of funding that is available. All hon. members, I am sure, realize and know that those loans are combinations of loans, grants, depending on the type of business, so that is a clear indication of our commitment to help small business in this Province.

Now, Mr. Speaker, the issue of jobs: It is always difficult to see where some members of the Opposition are coming from. They are not sure if they want to support a penitentiary for Buchans or for Windsor. I am sure the member for Windsor - Buchans is not at all concerned about the jobs that that is going to create.

MR. FLIGHT:

It must have wheels on it.

MR. PEACH:

That is probably the way the member would want it, on wheels, so that when an election comes he can get somebody to wheel it back and forth from Windsor to Buchans. That is the only way he is going to be elected again. He should come out with his mayor, Mayor Power from Buchans, who was sitting in this hon House a week ago and the member for Windsor -

Buchans did not have the courtesy to ask the Speaker to recognize the mayor of such a town. He would not stand behind the Mayor of Buchans and support the penitentiary going in a town such as Buchans.

I am not sure where the Opposition stands with regard to the creation of jobs. We also indicated in the Throne Speech that we had a great concern and were actively promoting, through negotiations with the federal government, that Goose Bay be designated as a NATO site, a NATO tracker, fighter, weapons training center. This in itself, Mr. Speaker, is a job creation initiative taken by this government. It would involve a capital expenditure of \$2 billion, and it would support approximately 3,000 permanent and transient military personnel. It would have an annual operating budget of about \$300 million, and the project itself, in the construction stage, would create 500 to 1,000 permanent jobs. Mr. Speaker, that is an initiative to create jobs. So the member for Bonavista North is all wet behind the ears when he puts a resolution such as this forward in the House, knowing full well that this government, Mr. Speaker, which I am proud to be a member of, has already taken the initiatives that he would, I guess, like to see taken. There is some question, as well, as to how long the hon. member for Bonavista North is going to stay on that side of the House. There have been a lot of rumblings lately that he is not very happy with the leadership of his party at all. He did not show up at the meeting last night. I understood he was not there.

MR. TULK:
What meeting?

MR. PEACH:

The one which your leader attended with Mr. March.

MR. FLIGHT:

He at least showed up.

MR. PEACH:

If he showed up, I was not there so I take the member's word for it. The member for Bonavista North (Mr. Lush) normally catches the media.

MR. TULK:

A point of order, Mr. Speaker.

MR. SPEAKER:

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

MR. TULK:

Mr. Speaker, I have to remind the hon. gentleman that he usually speaks, as he is doing now, in ignorance. The member for Bonavista North was certainly at that meeting. You should have heard him, Mr. Speaker, correct some wrong information that a person from the NDP Party, I think, put out, that the Trade Union Movement was led to trust the government of this Province. The member for Bonavista North pointed out how he, in 1982, knew the stripes of this government in the same way as he knows them now, you cannot trust them.

MR. PEACH:

To that point of order, Mr. Speaker.

MR. SPEAKER:

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

MR. PEACH:

There is no point of order. I can continue.

MR. SPEAKER:

There is no point of order. The hon. member provided some information.

MR. PEACH:

Mr. Speaker, I will accept the comments from my friend from Fogo. The member for Bonavista North was at the meeting. Now we realize there were three there.

MR. FLIGHT:

Five.

MR. SPEAKER:

Order, please!

MR. PEACH:

Five! Oh, oh! That makes the matter worse. There were five members there, four from the official Opposition and the member for the NDP.

MR. TULK:

We do not count him.

MR. PEACH:

Oh, you do not count him. Five of your own.

MR. TULK:

Six.

MR. SPEAKER:

Order, please!

MR. PEACH:

Six. There were six members, Mr. Speaker, along with the Mr. March at his meeting last night which drew only 300 people.

MR. HEARN:

Two hundred and forty-six.

MR. PEACH:

Two hundred and forty-six my friend, the Minister of Education (Mr. Hearn), informs me. Now, Mr. Speaker, that is an utter disgrace, if that is all the members could attract.

MR. TULK:

A point of order, Mr. Speaker.

MR. SPEAKER:

Order, please!

The hon. the member for Fogo on a point of order.

MR. TULK:

The hon. gentleman is wrong again. Let me say to him that there were none of the Tory members there. The Liberal Party was well represented. He also made the point - I know he will be interested in hearing this - that the NDP Party Leader was there. No, he did not show up. He was not there.

MR. SPEAKER:

Order, please!

There is no point of order. The hon. member provided some more information.

MR. PEACH:

The member is just interrupting the good speech I am giving. It is very strange. I wonder what the Liberals were doing there? If the Leader of the NDP was not there, what was the Liberal Party doing there? I am sure they must have been invited, but if six of them showed up, Mr. Speaker, and they drew 246 people, I say shame!

MR. FLIGHT:

A point of order, Mr. Speaker.

MR. SPEAKER:

Order, please!

A point of order, the hon. the member for Windsor - Buchans.

MR. FLIGHT:

Would the member care to take this opportunity to indicate to the House whether he will be at the

next meeting NAPE calls to hear the views of the MHAS who serve his district?

DR. COLLINS:

To that point of order.

MR. SPEAKER:

To that point of order, the hon. the Minister of Finance.

DR. COLLINS:

The hon. member is giving a tremendous speech. It obviously has the Opposition in an uproar over there. He has touched a nerve. They are jumping to their feet, interrupting him with points of order time and time again. He is hitting them with body blows. They are writhing in the aisles. I mean, they cannot stand the strain and the stress, so they have to keep interrupting him.

MR. SPEAKER:

Order, please!

There is no point of order. The hon. member is looking for information.

The hon. the member for Carbonear.

MR. PEACH:

Thank you, Mr. Speaker. To continue, it is very sad to realize that the member for Bonavista North could not read what was in the Throne Speech. That would have pointed out and clearly indicated to him many of the initiatives that this government has taken.

Now, Mr. Speaker, to talk about employment and unemployment. I am sure the member for Bonavista North (Mr. Lush) must realize that apart from being announced again in the Throne Speech -

MR. FLIGHT:

Will you be there?

MR. PEACH:

I attend all functions held in my district when time permits, and that is most of the time. Usually, I attend three functions a night on a weekend.

It was announced in the Throne Speech that there would be established a Royal Commission on Employment and Unemployment. Now, the member for Bonavista North is all upset about the unemployment problems in this Province. He deplores government's approach to looking at the problem of employment and unemployment. Mr. Speaker, that matter has been dealt with very carefully.

To continue on, Mr. Speaker, with the matter of job creation, we have indicated clearly through our negotiations with our federal counterparts that we have had dollars come into Province; the Minister of Forest Resources and Lands (Mr. Simms) negotiated some tremendous forestry agreements, negotiated along with the Minister of Intergovernmental Affairs (Mr. Ottenheimer) I am sure, the paper modernization programme for the two paper producing cities in our Province. If that is not creating jobs, Mr. Speaker, I do not know what is, the great millions of dollars of modernization that has gone into the Kruger operation in Corner Brook. This government, Mr. Speaker, went forth and saved the city of Corner Brook - that was creating jobs.

Abitibi-Price in Grand Falls, which the minister very capably represents, I have had the opportunity of meeting one of the vice-presidents of Abitibi-Price, Mr. Devine, on several occasions, having toured throughout their

facilities outside this Province as well. They, Mr. Speaker, with the tremendous amount of pressure that the Minister of Forest Resources and Lands keeps on a company such as Abitibi-Price, have gone into a great modernization programme at their facility in Grand Falls. That will not only put a better newsprint and a better quality of paper on the world market but in doing so it will create jobs in the modernization part, and it will ensure that Grand Falls and Corner Brook, with their modernization plan, with the improvements to their machinery, will be viable and will create jobs in this Province for many, many years down the road.

MR. SPEAKER:

The hon. member has one minute left to conclude his remarks.

MR. PEACH:

My time is just about up, and I am doing such a great job, that I am sure my colleagues here would want me to continue. I know, Mr. Speaker, that members opposite want to get up and support the resolution put forth by the member for Bonavista North, but I have to disappoint them now and say that I cannot support the resolution as it stands here, because he has said nothing in it that is constructive. All he has done is try to attempt to get something that will be a great political football for him to kick around this Province for the next month or so. I am sure they are all hoping that some day they will be on this side of the House and we will be on the other, but, Mr. Speaker, I will be around for a long representing the people of Carbonear and sitting on this side of the House. And I am sure that after the next election the number

of members that the Liberal Opposition will have will probably be less than what the NDP have right now.

Thank you, Mr. Speaker.

MR. SPEAKER:

Order, please!

MR. TULK:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Fogo.

SOME HON. MEMBERS:

Hear, hear!

MR. TULK:

Mr. Speaker, I have to tell the hon. gentlemen that I know we know on this side that he is burning to get into the Cabinet and he has been working awfully hard to try to get there but he has got to do a lot better than that, I am sure, before the Premier will take a look at him. I also want to tell the hon. gentleman that if he is going to throw his weight behind leadership candidates - he is very keen on leadership candidates - he should throw his support behind the Minister of Development (Mr. Barrett). The Minister of Development is in first place, the latest polls show, and right behind him is the Minister of Forest Resources and Lands (Mr. Simms) - no, no, the Minister of Forest Resources and Lands is third - it is the Minister of Career Development and Advanced Studies (Mr. Power) who is second and the Minister of Fisheries (Mr. Rideout) is fourth.

MR. FLIGHT:

The Minister of Public Works (Mr. Young) is fifth.

MR. TULK:

The Minister of Public Works does not even show up. I will let out this secret to the Minister of Forest Resources and Lands, the hon. gentleman, the Minister of Development, is weak organizationally. So if the hon. gentlemen over there want to try to bring together the dissension that is in those ranks over there, they should keep in mind that the Minister of Development is weak organizationally and therefore they might be able to overtake him.

Mr. Speaker, the member for Carbonear (Mr. Peach) did make a couple of good points in his speech. He said that the government was committed to small business. Well, everybody in this Province knows and believes that the government should have been committed a long time ago. I would say to him that that is the one true word that he uttered.

The member for Bonavista North (Mr. Lush) has introduced a resolution, which the member for Carbonear, I believe, referred to as being somewhat gimmicky. Yes, we expect that kind of attitude from the member for Carbonear and the from the government.

AN HON. MEMBER:
(Inaudible).

MR. TULK:
He is the real Premier. I do not care who wins the leadership, he will be the real Premier, the member for St. John's East (Mr. Marshall), there is no doubt about that. Stay close to him, he is going to control whatever happens over there.

The member for Bonavista North (Mr. Lush) introduced an excellent resolution on unemployment and the member for Carbonear (Mr. Peach)

referred to it as gimmicky. We recognize that this government, if you give them positive suggestions, if you give them very worthwhile suggestions, are going to say that that is gimmicky. Now, I cannot see the logic behind using that kind of phrase if you look at a resolution that addresses itself to unemployment and puts forward a couple of good suggestions to hon. gentlemen opposite, as this resolution has done. It points out that we should establish tax zones and that there should be a reduction in the provincial sales tax.

How can you call a resolution like that 'gimmicky' when we are living in a province with the highest unemployment rate in Canada, when we are living in a province where our Premier - I think it was in 1979 - promised us 40,500 jobs, to be exact, and we have had a net loss, we are told by the statistics this year, since the Premier took office, a net loss in this Province of 1,000 jobs?

MR. SIMMS:

Tell us about your poll, again.

MR. TULK:

I know the hon. gentleman wants to hear about the poll. We know how keen he is on that poll.

MR. FLIGHT:

It is more interesting than the poll that he is aware of.

MR. TULK:

We know how keen the hon. gentleman is on that poll. We are over here wondering. As a matter of fact, the hon. gentleman survived the last time by forty-one votes. The students at Memorial did the job of putting him in. We know he is interested in polls, Mr. Speaker. As a

matter of fact, myself and the member for Windsor - Buchans (Mr. Flight) we were wondering a few minutes ago if he was going to run in Grand Falls or whether he was going to try to take a crack at it federally. His options are scarce. We know that the hon. gentleman wants to try to build his image within the Tory party, to become the leader of that party so, hopefully, by doing that, he can survive in a provincial district.

MR. FLIGHT:

He was wounded badly in 1985 though.

MR. TULK:

I have to say to the hon. gentleman that if he keeps behaving the way that he has been behaving in this House, then he is going to have problems even within his own party. I will tell the hon. gentleman one of his problems, and he prides himself on this, the poll also showed this, that they do not regard the hon. gentleman as being smooth enough.

MR. DECKER:

Do not tell him that.

MR. TULK:

He is not quite smooth enough and that is where the Minister of Development (Mr. Barrett) has it over him. The Minister of Development (Mr. Barrett) is a very smart man. I think he must be one of the smartest politicians over there. We know that the Tory government in this Province has been going through crisis after crisis after crisis.

MR. FLIGHT:

And he is keeping himself above it.

MR. TULK:

No, no. He is not keeping himself

above it. He is one of the most quiet ministers in this House. He just sits there and he is hoping it is all going to flow by him.

MR. FLIGHT:

He sits there with a grin.

MR. TULK:

He sits there with a grin. He wants to see it all go by him and then, hopefully at the right time, rise to the head of his party. Now that may not be a bad strategy when you consider what is happening on that side of the House.

Let me get back to the resolution. The member for Bonavista North (Mr. Lush) has introduced a very worthwhile resolution which addresses unemployment in a Province that has the highest unemployment rate in Canada, in a Province that has been deceived by the government which has said that they were going to create 40,500 jobs.

Now, Mr. Speaker, you have been a long time politician in this Province with one of the best survival rates in Newfoundland politics. You know, I am addressing the Speaker as I should, Mr. Speaker, you cannot tell us this in the Chair, of course, but you know that if you put a platform in your election campaign and you cannot carry it out, then the honourable thing to do is to resign. Of course, the government of this Province, if it is not going to do more for unemployment than it has done, it should resign.

Mr. Speaker, I think we all agree in this House, with the possible exception of the member for Menihek (Mr. Fenwick), that if we are going to create jobs in

Newfoundland, we have to create them through private enterprise. I think we all agree. We all agree in this House that this is the case. There is a slight difference between the Liberal Party and the Tory Party, of course if you are a liberal, small 'l' and you are a tory, small 't', there is a slight difference in your philosophy. That is that you believe at certain times private enterprise has to be somewhat balanced off against the social needs of people, of course, a conservative, a tory believes you go right to the right and you keep down all of those people who are trying to have better social programmes of the country. There is no place in the system for them. That is Tory philosophy. Of course, we see it coming through in this Province, no matter where you look.

The real Tories over there are the Minister of Finance (Dr. Collins), the Intergovernmental Affairs Minister (Mr. Ottenheimer)- Your Honour, I cannot include you in that list - and, of course, the member for St. John's East (Mr. Marshall). Those are the real Tories.

MR. PEACH:

What about the member for St. John's North?

MR. TULK:

No, he is slightly right of Attila of a Hun. He is not even a Tory.

I am not going to call the hon. gentleman that kind of a thing, I just want to talk about his philosophy. And as the member for Carbonear (Mr. Peach) said when he was patting the Government House Leader (Mr. Marshall) on the back through the door, that is the man who is in control. The Premier

thinks he is in control, and I believe the Speaker nodded agreement, I am not sure. But the real control on that side lies with the Government House Leader. That is the real problem in this Province.

The Premier came in here in 1979 and I have to tell you, Mr. Speaker, he was a small 'l' liberal. Well, he had to be with the roots that he came from, his past background said that he had to be liberal and I believed that he sincerely believed that he was going to create 40,500 jobs. Of course what the Premier did not realize was that he was being set up by the three people who now sit by him. They were the people, when he ran for the leadership of this party, that I understand spent four or five hours grilling him before they could support him. They finally got him where they wanted him, and, of course, they used their St. John's base to put the Premier in as the Leader of the Party, and eventually as the Premier.

Mr. Speaker, I do not have that much time left. I do want to bring up one other important thing which I think is important to this government.

There was a phrase uttered in this House some two or three weeks ago by the member for the Strait of Belle Isle (Mr. Decker). The phrase was that we are living in the dying days of a corrupt administration. Now he was not talking about corrupt in terms of stuffing their pockets. He was talking about corrupt in the sense that they do not know where they are going, they just sit there and they hang on to power.

It is becoming a well-known fact,

and I have to tell the member for Grand Falls (Mr. Simms) this too, that the Premier intends to hang on by his fingernails to the death. He should cool it down a bit and wait until the Premier is finally defeated after the next election. I can tell him when his leadership campaign should get underway, whenever the Premier chooses to call the next election, put it in gear one month afterwards because then you are going to be part of a defeated government and I can tell you that the Premier is not going to sit in Opposition. He will leave the House.

Mr. Speaker, to come back again -

DR. COLLINS:

He will have to leave the House, he will be too old.

MR. TULK:

I said after the next election. You mean the hon. gentleman is ninety-five.

Mr. Speaker, to come back, this government is dead. I want to tell the member for the Strait of Belle Isle (Mr. Decker) that he used the word 'dying', but in terms of what is happening in the economy of this Province, I want today to tell you that I would pronounce the government officially dead.

AN HON. MEMBER:

(Inaudible).

MR. TULK:

The hon. gentleman does not know the difference between a Tory and a spruce budworm, Mr. Speaker, he does not know the difference.

One of the most liberal-minded people in Newfoundland.

AN HON. MEMBER:

Who is that?

MR. TULK:

The member for Naskaupi.

SOME HON. MEMBERS:

Hear, hear!

MR. TULK:

Now you see the hon. gentleman is confusing party and philosophy. In philosophy this hon. gentleman is one of the most liberal-minded people I have ever met in my life.

MR. BUTT:

How about 'Barry' now? Talk about your leader with a straight face.

MR. TULK:

Did you say talk about the Leader of the Opposition?

MR. KELLAND:

Yes.

MR. TULK:

The Leader of the Opposition I can tell you, as I said about your Premier and you were probably out of the House at the time, your Premier in 1979 was a liberal, a small 'l' liberal, philosophically. This gentleman here has always been a small 'l' liberal, philosophically and he has now found his place, a place, by the way, that is going to see him put in place a real Liberal government in Newfoundland. It is a perfect place.

MR. SIMMS:

What is the philosophy of the member for Twillingate (Mr. W. Carter)?

MR. TULK:

He is a liberal. If I look up and down this House I cannot find a small 't' Tory on this side of the House. The member for Grand Falls

(Mr. Simms) was not a Tory. He ate steaks bought by the Liberal Party and said he was going to run for us.

MR. SIMMS:

No I was not, Sir.

MR. TULK:

You did not? Do you mean that Ed Roberts did not take you into the Mount Peyton and feed you steaks?

MR. SIMMS:

He did so, yes.

MR. BUTT:

He tried to get him to run and he laughed at him.

MR. SIMMS:

He tried to get me to run.

MR. TULK:

Of course the hon. gentleman went as fast as he could for a party that he thought at the time was going to win and now -

AN HON. MEMBER:

He did not tell him until after -

MR. TULK:

That is for sure. And now the hon. gentleman has changed his philosophy to survive.

MR. SIMMS:

I would run NDP before I would run Liberal.

MR. TULK:

You are going to have to. The hon. gentleman would be much safer running for the NDP than he would for the Tories in his own district, let me tell him.

SOME HON. MEMBERS:

Hear, hear!

MR. TULK:

The last election proved that.

Mr. Speaker, how much time do I have left?

MR. SPEAKER (Hickey):

The hon. member has about six or seven minutes I would say.

MR. TULK:

Mr. Speaker, I want again to look at the resolution that was put forward by the member for Bonavista North (Mr. Lush). Now what does he suggest, Mr. Speaker? Why is it that the member for Carbonear (Mr. Peach) cannot support it? I think I have said that because the member for Carbonear is one of the small 't'ories.

MR. SIMMS:

That is partisan resolution.

MR. TULK:

It is not partisan. You can find nothing in it that is partisan.

AN HON. MEMBER:

(Inaudible) is partisan.

MR. TULK:

Well, the government, if it deserves to be condemned, should be condemned.

MR. SIMMS:

That is partisan.

MR. TULK:

No. No.

"BE IT THEREFORE RESOLVED that this House deplore government's business as usual approach to critically high unemployment." I would say to the member for Bonavista North that it is not business as usual. There is no business going on. That is the only mistake that he has in it and we perhaps should move an amendment.

"AND BE IT FURTHER RESOLVED that government, upon identification of those areas of Newfoundland and Labrador most seriously ravaged by unemployment, proceed to the designation of those areas as reduced tax zones for the purpose of providing extraordinary economic stimulus where it is most needed."

Perhaps the hon. gentlemen on the other side do not understand that. We have seen a Tory government in Ottawa do away with tax incentives and other kinds of incentives for regional development in the country. Just as you look at the country and there are regional areas that need incentives to develop economically, like Cape Breton, there are also areas of this Province.

The Minister of Transportation (Mr. Dawe) would know about this because his district is partially rural and it needs some incentive to develop. He knows that if you are going to set up a business in St. George's, it is going to be far more difficult to make that business succeed than if you set up a business in St. John's. That is not St. John's against St. George's, it is just a simple fact of the matter that the energy that is needed and the -

AN HON. MEMBER:
(Inaudible)

MR. TULK:
Well, competition is part of private enterprise. If you try to set up a business in St. John's, you know as well as I do that the infrastructure and the kinds of things that are there mean a much greater advantage in St. John's than they are in St. George's. The same of course if true of

Gander.

MR. DAWE:
(inaudible) sawmill.

MR. TULK:
Not necessarily.

MR. DAWE:
Oh, yes.

MR. TULK:
I would not doubt, I say to the hon. gentleman, that you would find grants flowing out of your ears from government to set up a sawmill in St. John's, if it were proposed, and you would have difficulty getting a grant to set up a sawmill elsewhere. I can tell you there are people in the Fogo district who are having a tremendous problem trying to get a few logs out of the woods to the mill. All that is needed is about four or five days work on a forest access road that was build, of course, by a good Liberal government. This crowd, up to this point, have not even kept up the maintenance on it.

There is in this Province a need to set up economic zones and to provide incentives according to the rate of unemployment and according to the problems of small business. That is where our jobs are going to come from, small business, and there are all kinds of stats to prove that. The Canadian Federation of Independent Businessmen can provide you with a very good report that I would recommend to hon. gentlemen. They have given us a number of recommendations that we should follow, including a tax holiday for business.

They have told us many things, by the way, that distinguished group of people that are headed up by

non other than Mr. John Bullock. I believe he heads it up, and if you ever saw a Conservative, Mr. Bullock is it. Even his association and the report they put out, that the hon. gentleman has and the Minister of Finance has, recognize that what the member for Bonavista North said in his resolution when he got to the place where he said, let us reduce the provincial sales tax and therefore stimulate the economy, even Mr. Bullock's group agrees and feels that the hon. gentleman is right.

They also propose to us that we establish tax holidays for certain kinds of businesses. They also point out to us that one of the stimulants that we should try to put in place is, of course, to reduce the paper work. I am in a small business and with the amount of paper work that is required you really do need to pay another salary unit. In Newfoundland, where the private enterprise system is very weak, and we got the Minister of Finance to admit that, I can tell you that the difference between survival of a small business and going bankrupt sometimes is the difference between hiring or not having to hire one more person. The Minister of Finance (Dr. Collins) could provide a great incentive to small business in this Province if he did try in some way in government to eliminate all of the bureaucracy and the over burdening of paper work that people have to deal with just to have a business survive.

Mr. Speaker, I think I have one more minute left and I want to say that the member for Bonavista North (Mr. Lush) is one of the most non-partisan people. I have to say this to you: I have been in

caucus with him for seven years with the exception of when the hon. gentleman was retired for a small while.

MR. SPEAKER:
Order, please!

The hon. member has about a minute to conclude.

MR. TULK:
Thank you, Mr. Speaker.

I have to say to you that the member for Bonavista North (Mr. Lush) is a good Liberal but when it comes to trying to provide solutions for problems in this Province, the member for Bonavista North (Mr. Lush) is one of the most non-partisan people that you would ever wish to come across.

I have to tell the Minister of Finance (Dr. Collins) that the member for Bonavista North would never put forward a resolution to salvage his own political skin and his own political party if he thought there was going to be one iota of damage to people in this Province. I have to say that. I cannot see in this resolution - the government deserves to be condemned. We have had a loss of 1,000 jobs. I do not think he even says condemned. I think he just says criticized. I cannot see, Mr. Speaker, there is no justification. The member for LaPoile (Mr. Mitchell) knows in his heart of hearts that he cannot stand in his place and vote against this resolution. He is a small businessman himself. He knows what the member for Bonavista North said is right. So does the Minister of Education (Mr. Hearn) who was at one time, I believe, engaged, as well as a teacher, in some small business.

MR. SPEAKER:
Order, please!

The hon. member's time has elapsed.

MR. TULK:
Mr. Speaker, I have to say that I will support the resolution and I would hope that everybody else on the other side can as well.

MR. SPEAKER:
Order, please!

DR. COLLINS:
Mr. Speaker.

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

DR. COLLINS:
Mr. Speaker, we have had a number of remarks from our friends across the way. I do not know if we have really learned very much from them but they had their moments. For instance, the hon. member who just spoke said that the hon. the Minister of Environment (Mr. Butt) did not know the difference between a spruce budworm and a Tory. I would like to suggest that he does. For instance, I think a spruce budworm is something you kill with a spray. A Tory is someone you pay for his skill. I think that would be a nice difference.

Let me try another definition. I think it was the hon. member who just sat down who also got into the definition between a Liberal and a PC and an NDP and all that sort of thing. I did not think much of his definitions. The one that I like is when you look upon the political scene as a housing project. You go in there and there are some little small houses and some big houses. If the PC government goes in there, they want everyone to end up in a big

house. If the Liberals go in there, they want all their friends to end up in the big house. If the NDP goes in there, they want everyone to end up in a small house. Now that is the difference between the three parties. The PC Party is a building party, everything to the front, everyone advancing, everyone benefiting. The Liberal Party, a very selective few, just their friends, just their buddies, just those that support them, put those to the front. The NDP Party, they just want to cut everything down in size. Now I think that is a better definition than the hon. member gave.

Mr. Speaker, just before I get into the main body of my remarks, I would like to comment on this big meeting that was supposed to have been held last night. There was a comment made that the members for the PC members for the metropolitan area missed a great meeting. Well, I did a little bit of calculation, Mr. Speaker. I am told by the papers that there were about, at the maximum, 300 people present at the meeting. Mr. Speaker, we have to look at that in the context of the population around here.

The metropolitan area has about 120,000 people in it. Now you could not expect an infant to go there. About 4 per cent of the population are infants. That works out to 4,800 infants in the metropolitan area. So we have to drop those out. So that brings you down to 115,200. I look at the paper and there were a fair number of children there but, nevertheless, I think we could drop out, on an average, those under ten. So the population between one and age ten is about 15 per cent of the population.

That works about to be another 18,000. So that brings you now down to 97,200 people in the metropolitan area. That was the catchment area for that meeting.

Now there were 300 people there. If you work that out on a percentage basis, that works out at .31 per cent of the population at the meeting up there. That is not counting those from outside this metropolitan area. I saw the picture of the hon. the House Leader opposite. He figured prominently right in the photograph. He took up almost half the photograph of the big meeting that we were supposed to have missed last night. Even if you discount the outside members from the metropolitan area who did not come in, if you just regard the metropolitan area, there was .31 per cent of the metropolitan area population up there, that is the people who could go there, leaving out the infants and those up to the age of ten.

So I do not think the Tory members actually missed a lot by not going to that meeting. I think it is remarkable, actually, when you consider the number of public employees who are resident in the metropolitan area who obviously did not go up to that meeting. If only public employees were invited to the meeting, surely there would be a lot more than .31 per cent of the population there. There is more of the population made up of public employees. So I do not think the PC sitting members missed very much.

MR. TULK:

A point of order, Mr. Speaker.

MR. SPEAKER (Hickey):

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

MR. TULK:

Mr. Speaker, I have to keep correcting the gentleman on the other side. The actual number of people I think who were at that meeting was - and I think that excluded the Liberal members - was 579, I think it was. The hon. gentleman is used to giving - I would never accuse the hon. gentleman of deliberately misleading the House, he would not do that - but he is always giving bad figures to this House in his budget and in financial statements and so on and therefore his percentages, as in predicting his deficits, are all off again on this one issue. He should get his facts straight. Hire another couple of advisors or something like that.

DR. COLLINS:

Mr. Speaker, to that point of order.

MR. SPEAKER:

Order, please!

To that point of order, the hon. the Minister of Finance.

DR. COLLINS:

It is obvious the way the House leader opposite counts. If he wants to count a crowd, he counts their legs and then divide by two to get the number.

MR. TULK:

Well, that is a very good way. There are no many people around with a leg missing.

DR. COLLINS:

Now, he made a mistake when he counted. He must have counted their arms and their legs and forgot to divide by four, he only divided by two. So I think his numbers were inflated.

MR. SPEAKER:
Order, please!

There is no point of order. There is obviously a very grave difference of opinion between two hon. members.

The hon. the Minister of Finance.

SOME HON. MEMBERS:
Ha, ha!

DR. COLLINS:
Mr. Speaker, I accept your verdict on that, a very grave difference.

Mr. Speaker, getting down to the resolution at hand, I have to say this. I agree with the House leader opposite in this regard, that the member for Bonavista North's (Mr. Lush) heart is in the right place. He has got a decent heart and it is approximately in the right place because he is against taxes. The hon. the member for Bonavista North is against taxes so he cannot be all wrong, he cannot be all bad if he is against taxes because we are also against taxes on this side of the House. We hate taxes, so we are eyeball to eyeball, we are heart to heart, we are tonsil to tonsil on that with the hon. the member for Bonavista North.

The only problem is that we love giving services to the public. That is where we differ from the hon. the member from Bonavista North, we love giving service to the public. I mean, that is what the Tory philosophy is. We want to take over and we have taken over the reins of government because we love serving the public. That is our motto. So we have to sort of offset our hatred for taxes with our love for serving the public. This is where we run into a little bit of a

difficulty because to serve the public you got to have money and, unfortunately, governments really cannot make money. No government ever made a cent in its life I do not think or, if it did, it was a pretty unusual circumstance. Unfortunately, we have to gather the money.

In our love and our search to serve the people we have to gather funds and the way we gather them is through taxation. Now the way we do it, to keep taxation to the absolute minimum, consistent with serving the people.

This is what we do at each budget time. Each budget process we sit down and we say, 'How can we serve the people better?' We go through all sorts of schemes and plans and projects and so on and we come up with extremely good programmes. The programmes are so good that we get elected time and time again by the population. Now not a grateful population, the population does not have to be grateful for a good government, they just have to know that it is there. We do not want gratitude from the people as we serve the people, we just want them to know that they are getting good government and, fortunately, people know they are getting a good government and that is why they elect the PC party time and time again.

So as we sit down to serve the public at each budget time, we come up with these schemes but then we have to look at the other matter of how we are going to gather the funds to take care of these schemes. So it is a balance. To give the services and also not to get into great financial difficulties, we have to raise taxes but we raise them to

the minimum level possible.

Regretably in this Province, where the wealth of the Province is low compared to other provinces, some of our rates have to be high in our attempt to get the funds to serve the people and to give them these necessary programmes. I do not have to recount the programmes. There are educational programmes. There are development programmes. There are social assistance programmes. There are programmes to improve employment, tourism programmes, forestry programmes, fishery programmes and so on and so forth. Hon. members know all about the nature of the programmes but these are things that we need the taxes for and we need the revenues for.

Mr. Speaker, there is a perception that our tax load is heavy in this Province and that is true. There is no doubt about that. I think everyone would agree to that. But there is another perception that our tax load is the heaviest in Canada. Now that is not true. The tax load on the people in this Province is not the heaviest in Canada. I do not want to belabor this too much because it is a heavy load and I do not want to, in any way, imply that the load is not heavy. But I do have to correct that wrong impression.

I have some figures in front of me here which are based on an index of tax effort and the tax effort, of course, is - I am going to ignore the federal tax effort because the federal tax effort is the same in all provinces, essentially. There may be very minor differences but essentially it is the same in all provinces. So we can ignore that. So the tax effort we are talking about is the provincial government tax effort

or tax load, I should say, plus the local tax load. That is the tax load that is often forgotten, the local tax load.

The local tax load is made up of municipal taxation, school taxation and other forms of local taxation. Sometimes there are other types of taxation. In this Province, our local taxation is essentially a municipal and school tax. Now if you look at that index and taking the 100 mark as the average for Canada, if you put Canada into one pot -

MR. TULK:

Mr. Speaker, I do not want to interrupt the hon. gentleman but I have to say that a Quorum Call is in order. I want some of his colleagues to come in and listen to him.

Quorum Call

MR. SPEAKER:

Call in the members.

Order, please!

Count the members.

I declare there is a quorum.

The hon. the Minister of Finance.

DR. COLLINS:

Thank you, Mr. Speaker.

Just to finish that point, Mr. Speaker. If we take the average as 100, Newfoundland works out at 106. So the tax load in this Province on the provincial plus the local level is higher than the average. But what is Manitoba? Manitoba is 108.4. What is Quebec? It is 121.9. So just to make that point, that the tax load

in this Province is very high but it is not the highest. Two provinces have a larger tax load than this Province.

MR. KELLAND:

Mr. Minister, could I have a few moments?

DR. COLLINS:

Surely.

MR. SPEAKER:

The hon. the member for Naskaupi.

MR. KELLAND:

Thank you, Mr. Speaker.

Just a question on the information the minister has just given in talking about our tax load not being the highest in the country, when he is talking about the country, Canada. The thought occurred to me that statistics can be made to read just about any way you wish, it depends on who is presenting the statistics. Would the minister consider and give us a comment on the tax load against the ability of a particular province to pay? Now, virtually everyone, including the government side and this side, considers the Province of Newfoundland and Labrador to be a have not province and, therefore, would be one of the areas of Canada with the least ability to pay, taxes or whatever. Maybe the minister can consider that in saying that we do not have the heaviest tax load under the statistics and the index he indicated, but apply it against the ability of a region or a province to pay. What answer would be given to that particular question?

MR. SPEAKER:

The hon. the Minister of Finance.

DR. COLLINS:

Mr. Speaker, as I say, I am not trying to make the case that our people are not heavily taxed. I have said that a number of times. We have a heavy tax load. The only point I am making is I just want to correct the statement that has been made a number of times, it was made here the other day, as a matter of fact, by a member opposite who said we are the most heavily taxed Province in Canada. I just want to put to rest that statement. We are not the most heavily taxed Province in Canada, there are two which are taxed on a heavier basis.

Now I agree with the hon. member that we are at a lesser level of wealth than Manitoba, than Quebec, who have a heavier tax effort than we have. I have no difficulty in agreeing with that.

Now, Mr. Speaker, just let me comment on a few things that the hon. member for Bonavista North stated. He made much of the unemployment figure in this Province, also. Again there is no doubt that we have a very serious unemployment problem in this Province. But we do have to look at it in context. Not only in relation to other provinces, but we have to look at it in a bit of a historical context, also. Otherwise, I think we can have a misunderstanding of the matter if we do not look at it in a broad way, if we just concentrate on a figure.

Now, in the context of comparison to other places I think hon. members will agree that every province in Canada, indeed every country in the world, has had an unemployment problem since about the mid-1970s. The unemployment rates throughout the land went up and they are now coming down. So

we were afflicted with the same problem. Our unemployment rate, which was higher, granted, at all times than many other provinces, went up in the late 1970s and the early 1980s, and now it is beginning to come down again. So we are following a pattern that has been followed by other provinces.

I think it is as well to remember that, otherwise, if you just look at the figures, you know, compare our present rate with the present rate in, say, Ontario and you see that spread there, you can get the wrong impression, you can say that we are in a hopeless situation and we will never get out of this difficulty. But then if you look at what happened in Ontario, they followed a rise and a fall. And if you look at our figure, at a higher level granted, and that shows a rise and a fall, you can get some comfort and some better assessment of the situation on that.

Secondly, from a historical point of view I think it is interesting to look at the figures, and I did that a little while ago. If you look at the increase in the labour force, because that is what the unemployment figure is based on, it is not just based on the number of people working or not working, it is also based on the number of people who are there to work, what is happening to that figure? Is it staying steady? Is it decreasing? Is it increasing? Obviously, if you have a work force that is increasing rapidly, you have bigger difficulty in coping with the situation than if you have a stable work force.

If you look at Newfoundland in the last twenty years, you will find that the Newfoundland work force

had an explosive growth in the last twenty years. Compared to other provinces, we had an explosive growth and that related to the 'baby boom'. We had a bigger 'baby boom' in this Province than almost any other province. We started off with a lower participation rate than any other province, but now we are up to the average. I think it was about ten or fifteen years ago that our participation rate was about 40-odd per cent, now it is 50-odd per cent, about the Canadian average. So we had to make up on the participation rate. And, thirdly, there has been more in-migration, or shall we say, less out-migration than was historically the case, than was usually the case, in this Province in the last ten or fifteen years. So, for those three reasons, our work force had an explosive growth, even though the numbers of jobs being created were very, very respectable. We did fall behind because of this explosive growth.

Now, the only reason why I mention that is that that period of explosive growth is coming to an end, if it has not already come to an end.

MR. WINDSOR:

Right.

DR. COLLINS:

The expansion of our work force now is more or less the Canadian average, so we are over that hump, shall we say, of explosive growth and we can expect our job creation ability in this Province to more closely match the increase in the size of the work force than it has been at any time in the last twenty years. That bodes very well for the unemployment rate. And we can see already that our

unemployment rate is coming down.

Now, that is not to say we do not have to work at it. We do have to work at it, and this government has been working at it assiduously. We have been working at the fishery. And the hon. the Minister of Career Development and Advanced Studies made this point already, so I will not belabour it. But we have been working on the fishery, we have been working on forestry, we have been working on the mining sector, we have been working on the offshore sector. We have been encouraging small businesses, including small service businesses. And all these matters are being stimulated and promoted to the extent we can. There has been more done for the rural employment picture in this Province in the last ten years than was ever done since we became a Province of Canada. There has been more emphasis on the rural parts of Newfoundland - and, of course, that is an area that needed a lot of help.

Now, just let me turn to another point the hon. member talked about. He said taxation decreases consumer spending. Again, I do not have any difficulty with that, but the only thing I would say is that you cannot argue from that that the moneys that are taken up in taxation is not usefully used. The money that is spent from the revenues that are gathered by taxation gives employment. Look at the public service, for instance. I mean, that is funded out of taxation and, clearly, it gives a lot of employment.

MR. SPEAKER (Hickey):
Order, please!

The hon. the minister has about two minutes to conclude his

remarks.

DR. COLLINS:
Thank you, Mr. Speaker.

Similarly, much of the revenues we gather will promote activity such as public buildings, schools, hospitals, roads and so on and so forth. So you cannot say that just because there are taxes and that decreases consumer spending that the economy is in trouble. Now, you can say, of course, that you cannot direct too much of the wealth of your society into the activities that government has a responsibility to promote. We cannot take all the money out of our society and turn it in to the public service, or all the money out of our society and turn it into hospitals or turn it into schools. If you go too far on that, you are into big trouble. But it would be incorrect to say that taxation is bad and that is the end of it. Taxation is undesirable but, nevertheless, taxation can often be put to useful purposes and this is what government is all about. This is what this government does to the best of its ability, and I think it does a very job of it.

Just let us look, though, at the discretionary side, that is the money that is left, what we might call consumer spending or discretionary spending. Now, Mr. Speaker, that can be used in a number of ways, that money that is left: It can be used in the service sector of society. If so, there is usually very little leakage out of that society and it stimulates growth in the society and it stimulates employment, because the service sector tends to be local, tends to be internal.

It can also be used for the goods

producing sector. Consumer spending can be used for the goods producing sector and this is where we have a problem in this province. Because in some societies the goods producing sector is an internal activity and, therefore, if there is spending on it it gives employment, it gives increased activity and so on and so forth.

MR. SIMMS:

Job opportunities.

DR. COLLINS:

Job opportunities. That is where your goods producing sector is, by and large, an internal activity.

Unfortunately, in this Province much of our goods producing sector that is taken up by consumers, that consumer spending is applied to, is an external element, and it means that if we use our consumer spending on the goods producing sector it helps Ontario, it helps Quebec, it helps whatever. This is where you run into difficulty in an economy like Newfoundland. There is a lot of leakage out of our economy on the consumer side, which means that you cannot drop your taxes, increase your discretionary spending and still have the same amount of economic activity. Some of it leaks away, therefore, you have to make sure that if you drop your taxes, if you want to maintain the same level of public services, you must bring other stimuli into the economy. And that is what we are doing. We will drop our taxes when we have the economy stimulated by other means to the extent that it can make up for this leakage that goes out of the economy as consumer spending gets applied to the goods producing sector, and that goods producing sector is an external element.

Mr. Speaker, we are moving in that direction. I would certainly expect that long before this administration feels it should help the democratic process by handing temporarily the reins of power over to another party - we will clearly have to do it on a voluntary basis, because the people will be trying to keep us in the whole time. But we know that we cannot do that and maintain the democratic process. We will probably have to voluntarily retire from government at some point in time and let another party briefly take over before we come back to undo the mistakes that have made and carry on again. But long before we feel it is necessary to do that, I feel sure we will have our economy booming ahead quite nicely and we will be able to get down the tax load in this Province.

Now, Mr. Speaker, there is not very much else to say about this motion. It is not a very good motion. It is a very simplistic type of motion, especially where it says it deplores the activities, the indifference of this government, which has been working its fingers to the bone on behalf of our people. It just cannot be supported. On that phrase alone, I would have to vote totally against this motion.

MR. BAKER:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Gander.

MR. BAKER:

Thank you, Mr. Speaker.

It is always a pleasure to follow the Minister of Finance (Dr. Collins) in any speech in the House.

There is not much time left. I would like to make one comment on something the minister referred to before I get into the main body of what I want to say, and that was the meeting held last night. The minister knows that he was not there and none of his colleagues were there and he tried to make light of the fact, but I would simply like to point out to the Minister of Finance that I am absolutely certain, and I say this without a bit of doubt in my mind, Mr. Speaker, that when the meeting is held in Central Newfoundland, which will probably be two or three weeks down the road, I can guarantee you that the Minister of Forest Resources and Lands (Mr. Simms) will be at that meeting. I can guarantee you he will be at the meeting, and I will guarantee you that the Minister of Consumer Affairs and Communications (Mr. Russell) will be at that meeting. I can assure you, as well, that the Minister of Health (Dr. Twomey) will be at that meeting, and that you will not see a total absence of Tory presence at such an important meeting. I am absolutely certain that these members will come to that meeting because they have, I am sure, the strength of their convictions. I am absolutely certain that if they believe in the government position they can defend it adequately, and I am absolutely certain that the members of NAPE, in Central Newfoundland, will appreciate the fact that these members will be at that meeting. They are honourable gentleman, and I am sure that we will look forward to seeing them at that meeting being held in Grand Falls about three weeks down the road. The Minister of Forest Resources and Lands (Mr. Simms) will be there.

Now, Mr. Speaker, what I wanted to

say concerning this resolution involved a rather complex analysis of numbers and there is not really time left to get into it now. As a matter of fact, it is the kind of analysis of numbers that I am sure members opposite need not even be here, except, perhaps, the Minister of Finance who would probably understand what I intend to say concerning these unemployment numbers and unemployment figures in the Province over the last number of years. I intend to deal with some of his statements with regard to being over the hump; I intend to deal with some of his statements with regard to how we are really heading downhill and that we have followed the same pattern as other provinces, as Ontario, I believe he mentioned. We are following the same pattern and, because of that, he is not overly concerned about it and we are not lagging behind. I intend to deal with that in a rather complex analysis of numbers, and I am doing this particularly for the Minister of Finance.

Mr. Speaker, I cannot really get started on that now, so I would adjourn the debate and call it six o'clock.

MR. SPEAKER:
Order, please!

It now being six o'clock, the House stands adjourned until tomorrow, Thursday, at 3:00 p.m.