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***VERBATIM REPORT***  
***(Hansard)***

Speaker: Honourable Patrick McNicholas

Thursday

9 April 1987

The House met at 3:00 p.m.

MR. SPEAKER (McNicholas):  
Order, please!

Before calling Statements by Ministers I would like to welcome to the galleries thirty-four students from Holy Cross School Complex, Eastport, with their teachers Ray Troke and Craig Ralph.

SOME HON. MEMBERS:  
Hear, hear!

Statements by Ministers

MR. OTTENHEIMER:  
Mr. Speaker.

MR. SPEAKER:  
The hon. the Government House Leader.

SOME HON. MEMBERS:  
Hear, hear!

MR. OTTENHEIMER:  
A sudden show of affection is most unusual.

MR. SIMMS:  
It is not affection.

MR. OTTENHEIMER:  
Oh, it is not affection.

Mr. Speaker, the statement I am making in the House now will also be made about the same time in other communities in Newfoundland, in Monkstown, Marystown and in Holyrood.

MR. Speaker, it is my pleasure to inform hon. members of the House of recent decisions taken by Newfoundland and Labrador Hydro and approved by this government with respect to the provision of electrical energy for the Island

of Newfoundland.

As hon. members are aware, this government has identified an interconnection with the hydroelectric resources of Labrador, and in particular, access to the Churchill Falls Hydroelectric Development, as the optimum long term solution to the Island's future energy requirements. Our highest priority activity then has to be a continuation of our attempts to achieve an equitable arrangement with Quebec on the Churchill Falls contract and other power developments in Labrador. Such a resolution, however, does not appear realistically obtainable in the next few months and, in the meantime, other decisions with respect to Island generation additions have to be made.

The demand for electricity in the Province is increasing steadily and Hydro is currently projecting that it will need new generating capacity in place on the Island by 1990 if it is to meet these demands. Hydro has reviewed all of the possible "on-island" generation alternatives for meeting future demand and has identified a number of smaller hydroelectric sites, a fourth 150 megawatt oil-fired unit at Holyrood or a coal-fired generating plant which could be constructed to this end. All of these "on-island" sources are expensive and should only be undertaken if absolutely necessary, in other words, if an interconnection with Labrador proves not to be obtainable in the near future.

Accordingly, therefore, Hydro has developed an interim generation plan which will provide approximately another year of

additional time before a decision on a major Island generation source will have to be made. This will also allow time to pursue a reconciliation of Labrador power issues with Quebec, negating the need for further second best Island solutions.

I am therefore pleased to announce that Newfoundland and Labrador Hydro will commence work immediately on two generation projects which will add 48 megawatts and approximately 286,000,000 kilowatt hours of energy annually to the Island's present generating capability at a capital cost of close to \$40 million over the next two years or so.

The first of these projects is the construction of an 8 megawatt hydroelectric facility on the Burin Peninsula at Paradise River. This development will be located at the Western extremity of Paradise Sound, in Placentia Bay, approximately 5 kilometers from the community of Monkstown. The scope of the project will include the construction of a 39 meter high concrete arch dam with an overflow spillway, a concrete intake, penstock, and a powerhouse containing one 8 megawatt turbine generator and ancillary equipment. The generating facility will be interconnected to the provincial transmission grid by the construction of a 16 kilometer of 25 KV transmission line extending from the powerhouse at Paradise River to the main 138 KV transmission line serving the Burin Peninsula.

I will have to go back and take an engineering course.

Mr. Speaker, when completed, this plant will be operated and

maintained by Hydro's Maintenance and Support Center located at Bay d'Espoir.

The capital cost of this development will be approximately \$20 million and it will provide up to 100 jobs during the peak construction period in 1988. Work on this project will commence this Spring and the facility should be completed and available for service at the end of 1988 or early 1989.

I should also advise my colleagues that this project has been reviewed by the appropriate environmental authorities who have concluded that it will have minimal negative impacts on the environment. For example, the total area to be flooded is limited to only 50 hectares, compared to 3000 hectares on the Upper Salmon project and 5000 hectares at Cat Arm. So, it is only 50 hectares in this instance. It has been determined that an environmental impact statement is not required but rather an environmental preview report is necessary and this is currently being completed.

An additional benefit of the Paradise River Hydroelectric Development will be the ability to interconnect the community of Monkstown to the provincial transmission grid. This community is now served by diesel generation and once interconnected, the diesel generating plant can be shut down and the residents of Monkstown will be able to enjoy the lower interconnected Island rate structure which is currently in effect for nearly all of the Island's electricity consumers.

Hydro is scheduling to have this interconnection to Monkstown

completed by the end of 1987 as it will be constructing the transmission line this year in order to provide on site construction power.

Those who drafted the press release omitted one important piece of information which I will give to the House, but which is not in the document hon. members have before them, and that is that there will have to be constructed an access road from the Monkstown Road to the power house site, which is approximately five kilometers. Tenders will be called for this road within the next, approximately, six-week period. The road will be built this Summer. It is anticipated that it is probably a five to six month construction project which would employ approximately twenty-five people.

That information is not in the release, but just to capsulize it, because I think it is important certainly to the people of the area, an access road from the Monkstown Road to the power house will be constructed this Summer. The distance is approximately five kilometers, and tenders will be called within the next six-week period. The cost of construction is estimated at about \$500,000, and estimated to employ between twenty and thirty people for a five to six month period.

The second generation project I referred to earlier, Mr. Speaker, is the decision by Hydro to increase the generating capacity of two of its three oil-fired generating units at the Holyrood Generating Station. These units, now rated at 150 megawatts each, will be uprated to 170 megawatts each, adding a further total of forty megawatts and 250,000,000

kilowatt hours of energy annually to the Island's generating capacity.

Increasing the generating capacity of these units will require modifications to the boilers, turbine/generator units and other auxiliary equipment at Holyrood. These modifications will be undertaken during the Summer maintenance shutdown period of 1988 for Unit No. 1 and 1989 for Unit No. 2. The direct capital costs of these unit upratings is estimated by Hydro to be approximately \$18 million in addition to other probable in-plant costs for auxiliary equipment modifications. The work will be undertaken by Hydro and will provide approximately fifty jobs during the Summer of 1988 and again in 1989.

Mr. Speaker, the government will continue to strive to attain fairness and equity in the unconscionable Upper Churchill contract. This is the only means by which the long-term energy requirements of Newfoundland can be effectively attained. In the meantime, we have to provide for increasing demand on the Island and the announcement today will meet that objective for an additional year or so.

I am hopeful, and I know all honourable members will join me in this, that we can negotiate a settlement with Quebec over the coming months which will negate the need to have to construct expensive energy sources on the Island.

SOME HON. MEMBERS:

Hear, hear!

MR. BARRY:

Mr. Speaker.

MR. SPEAKER:

The hon. member for Mount Scio - Bell Island.

MR. BARRY:

Mr. Speaker, we thank the minister for supplying us with a copy of his statement beforehand. The first point that should be made, Mr. Speaker, is that while everybody welcomes new construction and employment and so forth, the real message that comes from this statement by the minister is a confession of failure, a confession of failure to arrive at a deal with the Government of Quebec which would see further hydro development in Labrador or access by the Province of Newfoundland and Labrador -

MR. J. CARTER:

You would make such a deal?

MR. SPEAKER:

Order, please!

MR. BARRY:

Now, Mr. Speaker, I would like to have members obey the rules and give me an opportunity to speak.

Mr. Speaker, I would like to stress that this is a confession of failure to arrive at an agreement with the Government of Quebec which would see the opportunity of developing further hydro in Labrador, or which would see this Province gain access to more energy from the Upper Churchill contract. Now, that is why this expensive measure, and it is highly expensive, Mr. Speaker, when you look at the fact that we are spending over \$50 million to get one year's supply of electricity. To meet the Province's needs for one year, we are engaging in these expensive measures. That is not the way we could get the biggest bang for our

bucks in terms of energy development in this Province. The answer, of course, is sit down with the Government of Quebec, start these negotiations, and get a deal.

MR. OTTENHEIMER:

We are doing that.

MR. BARRY:

Now, the minister says he is doing that. We have contradictory statements, Mr. Speaker, because we have had statements in this House of Assembly by the minister, by the Premier and others saying that there have been meetings between officials of this Province and officials of the Government of Quebec, but we have Mr. David Mercer who is, I understand, a vice-president - I think is his position - with Newfoundland Hydro before the National Energy Board saying that no such meetings of officials have taken place.

MR. FLIGHT:

Oh!

MR. SIMMONS:

You are kidding! Shame!

MR. BARRY:

Now, Mr. Speaker, that is not good enough. The minister and the Premier should get on a plane tomorrow, get up and sit down with Premier Bourassa of Quebec and get the negotiations going immediately. Because as I will be releasing, Mr. Speaker, a little late on, during Question Period or after Question Period, I just received a letter from Premier Bourassa in which he is very positive on another matter which is very important for this Province and that is -

MR. TOBIN:

Is he working for your Leadership

campaign?

MR. MORGAN:

Did he give you a donation for your campaign?

MR. TULK:

Name them, Mr. Speaker. Name them!

MR. BARRY:

- and that is, Mr. Speaker, the question of shared jurisdiction for this Province over fisheries management.

I have a letter, which I will be releasing, which indicates that the Premier of Quebec and the Province of Quebec could be an ally of this Province in seeing that we get greater jurisdiction over the fishery. In the same way, I have said time after time in this House that Premier Bourassa, if you look at his book *Power from the North*, and from personal conversations that I have had with the man, is very supportive, Mr. Speaker, of doing a new deal which would see greater returns for this Province from the Upper Churchill and which would see the start of other hydro developments in Labrador. It is only the incompetence and mismanagement of members opposite that has prevented that deal from being struck already.

AN HON. MEMBER:

What about when the hon. gentleman was Minister of Energy?

MR. SPEAKER:

Order, please!

MR. BARRY:

Mr. Speaker, I do not have much time and I would really like to have the opportunity of finishing my remarks in quiet.

Mr. Speaker, I am delighted that I

had the foresight to ensure that there was a road put through to the community of Monkstown.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

Order, please!

The hon. Government House Leader spoke for twelve minutes without any interruption. I would ask hon. members on my left to extend the same courtesy to the hon. member for Mount Scio - Bell Island.

MR. BARRY:

Mr. Speaker, I am delighted that my foresight in obtaining government funds to put a road through to the community of Monkstown from the Burin Peninsula highway has made this development possible. Because, as Your Honour sees, if that road were not there, Mr. Speaker, they would not only have to construct an access road they would have to spend probably \$15 million or \$20 million in today's dollars to construct that road from the Burin Peninsula highway. I am also delighted to say to the minister that I have earlier received confirmation from Newfoundland Hydro that this mini hydro development was possible and at the request of residents of Monkstown I made the enquiry, received a positive response and have already informed, several weeks ago, the residents of Monkstown that this development was a very real possibility.

Mr. Speaker, we are very disappointed that once again the Province has torn up the environmental review process of this government and ignored the legislation in place. Although, Mr. Speaker, we believe that a

proper environmental impact study would show that this development could proceed, the fact that once again a study is not being done shows, as in so many things, this government just pays lip service to the legislation that is in place.

Mr. Speaker, if I could make one final point. What we have here is a mini hydro project. The aspect of this development that will take place in Monkstown is a mini hydro project, and, Mr. Speaker, it is the policy of the Liberal party, as set out in our response to the House Royal Commission on Employment and Unemployment, where we accept that recommendation that private entrepreneurs should be given the right and the opportunity to develop mini hydro sites wherever they exist in this Province and that no longer should there be a monopoly for Newfoundland Hydro. Because I submit that had it not been for the crunch in which they find themselves, had they had any other option, we would not yet today be seeing the development of that mini-hydro site even though it is feasible. I recommend very strongly to the minister that he look at amending the energy legislation of this Province to permit private entrepreneurs to develop these mini-hydro sites and to require, as a matter of law, that Newfoundland Hydro purchase the powers so generated at a reasonable price.

So, Mr. Speaker, it is somewhat disappointing that the Premier's statement of a couple of weeks ago that there were going to be two great East Coast projects, one on the Burin Peninsula and one on the Avalon Peninsula, led to rising expectations that there were going to be permanent jobs. Well,

regrettably we see once again that while we will benefit from having increased energy generation, we will not see any great number of permanent jobs; we will see some construction jobs, and some short-term jobs. It is time, if the Premier is going to live up to his promise of blowing peoples' minds with projects that are going to generate jobs, that they be permanent jobs in this Province.

SOME HON. MEMBERS:

Hear, hear!

MR. LONG:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for St. John's East.

MR. LONG:

I would like to thank the minister for a copy of his statement in advance, and would respond on behalf of my leader who has been called away to his district on other business today. I would say simply that we can sympathize with the position of the minister and the government in dealing with what is obviously a very difficult situation. In reading the minister's statement it would suggest that perhaps these interim measures are producing what will be only a more chaotic situation over the next couple of years. This announcement is described as an attempt to deal with the situation and negating second best solutions in the meantime, so that this is the third best solution, the first best being Churchill Falls.

To spend \$40 million over the next two years to bring in something that will come on line in 1990, when the minister promises that efforts will continue over the

coming months to deal with the Churchill Falls situation, what is going to be produced with these developments after a two year period is, perhaps, a much more chaotic situation.

We also have real concerns about the ignoring of the environmental process with this. The statement by the minister does not adequately address the concerns with any development of this kind, that proper environmental procedures should be followed.

We look forward to the environmental statement that is promised here, an environmental preview report, but we would suggest that that is not a proper procedure. We would simply add our support, perhaps in a less partisan way than the previous speaker, to any efforts by this government to renegotiate a deal with Quebec and to get on with the business of providing a long-term programme for hydroelectric development for the Province.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

Before calling for Oral Questions I would like to welcome to the galleries Mayor Ray Pollett and Councillor Pat Griffin from the City of Corner Brook.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

I would also like to welcome forty-five Grade X and Grade XII students and their two teachers, George Eddy and Sydney Gillis, from Swift Current Integrated School.

SOME HON. MEMBERS:

Hear, hear!

### Oral Questions

MR. SPEAKER:

The hon. the member for Gander.

MR. BAKER:

Thank you, Mr. Speaker. My question is for the Minister of Fisheries (Mr. Rideout). At 11:30 our time this morning Dr. Peter Rabinovitch led a team to start negotiations with the EEC with regard to Newfoundland fish. I would like to ask the minister what is our representation on this team? Who do we have representing us on this team? What Newfoundland fish is being negotiated away this time?

MR. SPEAKER:

The hon. the Minister of Fisheries.

MR. RIDEOUT:

Mr. Speaker, first of all I am sure the hon. gentleman will join with us in saying that we hope there is no Newfoundland fish being negotiated away this time. The long-term agreement with the European Economic Community, which runs out at the end of 1987, was an agreement that was signed over the vehement objections of this Province. We have commitments, both publicly and otherwise, from the Government of Canada, and time will test the legitimacy and the validity of those commitments, that the long-term, agreement which expires at the end of 1987, will not be renewed. That is the position of this Province. This Province has been consulted extensively prior to the delegation that the hon. gentleman has talked about. My Assistant Deputy Minister, Mr. Dean, has been part of that process over the



last number of weeks, Mr. Speaker.

MR. SPEAKER:

The hon. the member for Gander.

MR. BAKER:

Mr. Speaker, is the minister aware that on March 31 at 10:30 in the morning, at 151 Sparkes Street in Room 710, the federal Minister of Fisheries, Mr. Siddon, said, "Premier Peckford has agreed that we have surplus cod fish that is surplus to Canada's needs. Because of the rough bottom in 2G and 2H Premier Peckford agrees with that and stated it publicly. We also have underutilized species such as squid and turbot around the Newfoundland coast which can be negotiated." I would ask the minister, then, how did squid and cod fish all of a sudden get on the negotiating table in this round of negotiations?

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

The hon. the Minister of Fisheries.

MR. RIDEOUT:

Mr. Speaker, what a penetrating insight into the obvious. Everybody in this Province knows that in terms of the definition of surplus there has been cod in 2GH for the last number of years that have been surplus to the needs and to the ability of Canadians and Newfoundlanders to catch. Everybody knows that, Mr. Speaker. Everybody knows that part of that surplus stock was included in the original LTA which runs out at the end of 1987. Everybody knows, Mr. Speaker, that there was surplus squid in Areas 3 and 4 included in the LTA which runs out in 1987. What everybody also knows, Mr. Speaker, is the condemnation of the previous

administration, which will equally be a condemnation of this one if they give away non-surplus fish in 2J+3KL or any other zone adjacent to Newfoundland and Canada.

SOME HON. MEMBERS:

Hear, hear!

MR. BAKER:

Mr. Speaker.

MR. SPEAKER:

A final supplementary.

MR. BAKER:

Can this minister say to the Newfoundland fishermen that squid is an underutilized species when for the last two years there has been no squid come to shore? Now this minister is agreeing to the squid being scooped up offshore, before they come into shore. How is the minister going to explain this to the fishermen along the Northeast Coast when squid a few years ago was the windfall species that allowed a lot of these fishermen to survive the year? What is he going to say to them this year when the squid is caught up offshore again? This minister has agreed to this squid being caught by foreigners.

MR. RIDEOUT:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Fisheries.

MR. RIDEOUT:

Mr. Speaker, if this penetrating statement by this gentleman is the basis of his campaign to win support among rural Newfoundlanders and fishermen, then let him go back to school and learn that the squid stock that is referred to in those areas offshore has nothing to do, it is not the same stock that lands on a

cyclical basis in the bays of Newfoundland and Labrador.

SOME HON. MEMBERS:

Hear, hear!

MR. FUREY:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for St. Barbe.

MR. FUREY:

Mr. Speaker, my question is to the Minister of Consumer Affairs (Mr. Russell). Mr. Speaker, yesterday we saw a landmark decision by the Public Utilities Board in Nova Scotia where, Mr. Speaker, the oil companies have been forced to roll back their prices by two and a half cents, forcing the Province to reduce its taxation by a half a cent which will put \$62 million back in the pockets of consumers. Now we asked the minister in this House a year and a half ago to force the oil companies in Newfoundland to go before the Public Utilities Board -

MR. SPEAKER:

Order, please!

MR. FUREY:

- to give us the same savings. My question, Mr. Speaker, is why has not the minister acted considering that this precedent clearly shows that the companies were gouging in Atlantic Canada?

SOME HON. MEMBERS:

Hear, hear!

MR. RUSSELL:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Consumer Affairs.

MR. RUSSELL:

Mr. Speaker, I do not think it was the member who asked this minister to consider putting the prices of gasoline to the Public Utilities Board. It was this minister who indicated that he might look at it.

SOME HON. MEMBERS:

Hear, hear!

MR. RUSSELL:

Mr. Speaker, in the Estimates Committee this morning I indicated to the Committee, and there was considerable discussion on this matter, that I have no objection to considering that option. I am pleased that the Nova Scotia Public Utilities Board - it is the only province in Canada, by the way, which has this industry, if you will, regulated - has indeed brought down a landmark decision. Certainly it is one of the options that this government has from a policy viewpoint, and one which we are taking very seriously.

MR. FUREY:

Mr. Speaker.

MR. SPEAKER:

A supplementary, the hon. the member for St. Barbe.

MR. FUREY:

Mr. Speaker, the minister did say he would look at it. It has been a year and a half now that he has been looking at it. Now, clearly the precedent has been set that consumers in Atlantic Canada are being gouged.

Now, Mr. Speaker, my question to the minister is this: He himself has admitted, along with his colleague, the Minister of Energy (Mr. Ottenheimer), that Newfoundland consumers are being ripped off. The differential between downtown Toronto and downtown Corner Brook is seventeen

cents a liter. What is the minister going to do now that he has admitted publicly that consumers in this Province are being ripped off? What is he going to do about it? Does his department have any teeth to do anything about it?

MR. SPEAKER:

The hon. the Minister of Consumer Affairs.

MR. CALLAN:

Let us see your dentures. Are they clean?

MR. TULK:

Smile! That is it.

MR. RUSSELL:

Mr. Speaker, unlike the hon. the member for Bellevue, my dentures are clean.

SOME HON. MEMBERS:

Hear, hear!

MR. RUSSELL:

Mr. Speaker, I indicated this morning that one of the options that this government has is to do what the Nova Scotia government has done, and I will be presenting to Cabinet shortly a paper with some options that government can take a look at, and it will be a collective decision of Cabinet which way we should go.

MR. FUREY:

A final supplementary, Mr. Speaker.

MR. SPEAKER:

A final supplementary, the hon. the member for St. Barbe.

MR. FUREY:

Mr. Speaker, a seventeen cent differential between Toronto and Corner Brook is too far fetched.

Now, will the minister give a

commitment today here in the House, on behalf of consumers in this Province whom he has a mandate to protect, that he will bring to Cabinet a paper to force these oil companies, that are gouging consumers, to appear before the Public Utilities Board?

MR. SPEAKER:

The hon. the Minister of Consumer Affairs.

MR. RUSSELL:

Mr. Speaker, the only commitment I will give to this House is that I will bring a paper to Cabinet with certain options that Cabinet can consider. It will be a collective decision of Cabinet what the policy will be.

MR. BARRY:

Mr. Speaker.

MR. CALLAN:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Mount Scio - Bell Island.

MR. BARRY:

I defer to the delegate from Bellevue, Mr. Speaker.

MR. SPEAKER:

The hon. the member for Bellevue.

MR. CALLAN:

Mr. Speaker, I have a question for the Minister of Mines (Mr. Dinn), who is responsible for housing. The minister, Mr. Speaker, is aware, I am sure, that CMHC owns fifty houses in the sub-division at Come By Chance. Now these fifty houses, as the minister knows, have been mothballed all the while, of course, that the refinery at Come By Chance has been mothballed. In recent months, of course, the refinery

has been taken out of mothballs and CMHC has these houses up for sale.

I want to ask the Minister of Mines, could he give us an up-to-date report? What is the status of CMHC's efforts to try and sell these houses? Where is it now, today?

MR. SPEAKER:

The hon. the Minister of Mines and Housing.

MR. DINN:

Mr. Speaker, the 50 units at Come By Chance that were mothballed -

MR. CALLAN:

How many?

MR. DINN:

Fifty units. That is what I said - fifty, 50, the big 50. The 50 units at Come By Chance that were mothballed by CMHC, owned by CMHC, were offered to the new company when they came into Come By Chance. The new company was not interested in any of the units and, as I understand it, they will be going to public tender as of today I think. I do not believe there are any of those units sold.

These units, Mr. Speaker, by the way, are capable of being moved from sites, so they would probably be a good buy for somebody who wanted a house. I think they were originally made in Stephenville by Atlantic Design Homes and can be easily removed from site. There is a problem out there with servicing of the units because I think there has been deterioration of the water system, or the water and sewer system in the ground, and CMHC has indicated that they are not willing to get involved with redoing the water and sewer system out there and that they are

just willing to sell the units.

So from the information that I have been able to gather to this point in time, the 50 units are there, they are for sale, they will be going on public tender, and none of the units have been sold to this point, to my knowledge.

MR. CALLAN:

A supplementary, Mr. Speaker.

MR. SPEAKER:

The hon. the member for Bellevue.

MR. CALLAN:

Mr. Speaker, if the Minister of Municipal Affairs were here I would ask him if he is going to approve water and sewer for Come By Chance this year, because they have been asking for it for years.

But let me go back to the same minister, Mr. Speaker. The minister talks about the houses being movable, a suggestion, Mr. Speaker, that since Newfoundland Energy are not interested in buying these 50 units that somebody will come along and take the houses, lock, stock and barrel and move them off the site.

Let me ask the minister, Mr. Speaker, what involvement is there on the part of government to ensure that these houses will not be taken out of the subdivision in Come By Chance but will stay there to make that community a viable community? What involvement is there by government to ensure that they will not be moved but that they will stay in the town?

MR. SPEAKER:

The hon. the Minister of Mines and Housing.

MR. DINN:

Mr. Speaker, I just indicated to the hon. member that the houses are owned, lock, stock and barrel by Canada Mortgage and Housing Corporation. When the refinery closed down all of these units came back to CMHC. They are still owned by CMHC. They were offered to the operators. They are now offered to anyone who wants them. And if there are some people out in Come By Chance who want a good deal on a house I suggest they could probably go and get a good deal on one of those houses.

The provincial government has really no obligation at all with respect to those houses. They belong to the federal government and they are offering those units for sale.

MR. CALLAN:

A supplementary, Mr. Speaker.

MR. SPEAKER:

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

MR. CALLAN:

What the minister is saying, I believe, is that there is a hands-off attitude on the part of government, just as there is a hands-off attitude, as it pertains to Come By Chance, on the refinery, Newfoundland Energy. They do not know who the shareholders are and they do not care. Mr. Speaker, let me ask are the minister and his colleagues in Cabinet going to sit by and see the town of Come By Chance wither and die? They have lost their school, they have lost their hospital, but here is a chance, Mr. Speaker, here is an opportunity for the minister and his colleagues to save that town. I ask the Minister of Mines, who is responsible for Housing, will the minister not get involved to

ensure that these houses are not dragged to Clarendville where they are trying to build a satellite town, that they will stay in the town of Come By Chance where they belong?

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

The hon. the Minister of Mines and Housing.

MR. DINN:

Mr. Speaker, I would suggest if the hon. member wants to build up the town of Come By Chance that he advertise that these houses are for sale, that he buy one himself and move into Come By Chance. The houses are for sale, they have been put in a sales position by CMHC, anyone can buy them. I think they would be a good deal for any prospective buyer. To anyone interested in buying a home and moving to Come By Chance, I would recommend one of these houses to them and I suggest the hon. member do the same. Outside of that, Mr. Speaker, there is not really much I can do. I cannot really go out and buy the houses. The federal government owns the houses right now through CMHC, a Crown corporation. Is the hon. member suggesting that I buy them and go out and see if I can peddle them? Is he suggesting that I could do a better job than CMHC? Mr. Speaker, I think what the hon. gentleman should be doing is promoting the Come By Chance area and promoting those houses so that people out there who want a house, and people who want to move to that area, should buy them. Mr. Speaker, they are owned by Canada Mortgage and Housing Corporation. I think they are quite capable of doing the job on the houses in Come By Chance. I have

approximately, Mr. Speaker, 8,000 non-profit units in Newfoundland that I have to look after, and I do not really have the time to look after the ones in Come By Chance which are in good hands with CMHC.

MR. EFFORD:  
Mr. Speaker.

MR. SPEAKER:  
The hon. the member for Port de Grave.

MR. PEACH:  
When are you going to announce your candidacy?

MR. EFFORD:  
I will announce my intention Saturday night.

Mr. Speaker, my question is for the Minister of Social Services (Mr. Brett), and I thought he was there when I stood up.

MR. FUREY:  
He ran away.

MR. EFFORD:  
He ran away, Mr. Speaker.

MR. TULK:  
Get him back!

MR. FUREY:  
There he is.

SOME HON. MEMBERS:  
Hear, hear!

MR. SPEAKER:  
Order, please!

MR. EFFORD:  
Thank you, Mr. Speaker.

Mr. Speaker, my question is to the Minister of Social Services concerning the Boys' Home in Whitbourne, and it is a very

serious question. This morning I had a call saying that there are thirty-five boys in the Boys' Home in Whitbourne and the fire regulations only permits twenty-one.

SOME HON. MEMBERS:  
Oh, oh!

MR. SPEAKER:  
Order, please!

MR. EFFORD:  
Now, Mr. Speaker, while the members opposite laugh about this, we have already had a fire in St. John's in the Boys' Home in Pleasantville, so we do not want to see the same thing happen again. I made a call to check this at the Boys' Home and they would not give me any answer. So I called someone in the fire department who said as of a year ago, yes, the fire regulations only permit twenty-one.

I would ask the minister is he aware that this is a regulation, and is he aware that the Boys' Home is overcrowded?

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

MR. BRETT:  
Yes, Mr. Speaker. I have been aware for some time that there is overcrowding both at Whitbourne and out at the Rec Center. We had a peak at both institutions of something over seventy, but I think we are down to around sixty-one now.

I would also like to tell the hon. member that we are working diligently to find some alternate accommodations. We are looking at some adult centers in a couple of places in the Province. We

included money in the budget, if the hon. member wanted to look, to do renovations at the School for the Deaf. So I guess the bottom line is that we are very, very cognizant of the overcrowding and we are doing everything that we can to try to relieve it as quickly as we can.

MR. EFFORD:

A supplementary, Mr. Speaker.

MR. SPEAKER:

A supplementary, the hon. the member for Port de Grave.

MR. EFFORD:

Is the minister telling this House and telling the people of this Province that he is aware that there is overcrowding at the Boys' Home after the fact that we just had a fire at Pleasantville, and possibly a fire could start at any time and people could lose their lives? With all the money that government is spending on other things, you cannot find enough space to keep those boys other than have overcrowding and possibly a fire trap?

MR. SPEAKER:

The hon. the Minister of Social Services.

MR. BRETT:

Mr. Speaker, not only am I saying it now, but I have been saying it for the last month or so, if anybody wanted to hear it.

MR. EFFORD:

A final supplementary, Mr. Speaker.

MR. SPEAKER:

A final supplementary, the hon. the member for Port de Grave.

MR. EFFORD:

Mr. Speaker, I would submit to the Minister of Social Services that

when I called the Boys' Home in Whitbourne this morning it was the first time he probably was aware of what was going on in the Boys' Home.

I would ask the minister will he start cleaning up his department? He has had enough problems in the past, and they are going to be repeated in the future. If he does not have the ability to run the administration, will he step down, do the proper thing and put somebody there who can do the job?

MR. SPEAKER:

The hon. the Minister of Social Services.

MR. BRETT:

Mr. Speaker, that is not a question. That is just a statement. I am used to that kind of statement from this hon. gentleman, who somehow seems to thrive on the misery of others. It is not a question, Mr. Speaker.

MR. BARRY:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Mount Scio - Bell Island.

MR. CALLAN:

Would the member yield?

MR. BARRY:

Mr. Speaker, I do not think I can yield for the second time to the delegate from Bellevue, although I could be talked into it.

Mr. Speaker, I would like to ask a question of the Minister of Fisheries. I have here a letter which I received from the Premier of Quebec which I will pass on to the minister. It indicates that Quebec is quite willing to discuss the issue of shared jurisdiction

for the provinces in the round of constitutional negotiations to take place following the signing by Quebec of the Constitutional Accord, once that is arrived at.

I would ask the minister whether he has been in discussion with his colleague, the Minister of Fisheries from Quebec, or the Premier of Quebec, and whether he has been able to ascertain if, in fact, we shall see an ally there in fighting for provincial jurisdiction over the issuing of quotas and other matters relating to the fishery?

MR. SPEAKER:

The hon. the Minister of Fisheries.

MR. RIDEOUT:

Mr. Speaker, I have not seen the letter that the hon. gentleman refers to and I look forward to his providing me with a copy. But I would say to him that I do not believe there is anything new in the Quebec position in terms of supporting other coastal provinces for a share of jurisdiction in fisheries matters.

As a matter of fact, since 1931 the Province of Quebec have had delegated to it by the Government of Canada, which has refused to delegate the same authority to other coastal provinces, the right to manage certain aspects of its fishery. So in the last round of the Constitutional negotiations, and in the rounds leading up to the round that will hopefully take place following the settling or otherwise of the Quebec issue, there had been a number of discussions between this Province and Quebec on this matter and others. It is nothing new that we believe that Quebec is generally supportive of our position of concurrent or shared jurisdiction

of fishery matters.

MR. BARRY:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Mount Scio-Bell Island.

MR. BARRY:

As indicated, that is the letter. It has to be translated and I am in the process of doing that now. But I would refer, Mr. Speaker, to my comment that this presumably will only take place once Quebec has been brought in under the umbrella of the Constitutional Accord. They have not yet signed that. And I would like to ask the Minister of Fisheries, or the Government House Leader (Mr. Ottenheimer), whoever is more inclined to answer it, whether there have been any discussions between this Province and Quebec with respect to what I understand are five suggested conditions which would see Quebec's adhesion or joining into this Constitutional Accord? Is there any suggestion that there is a deal that could be made or is a deal something that could not be made because of the high constitutional import of some of the conditions that relate to Quebec coming in under the Constitution?

MR. SPEAKER:

The hon. the Government House Leader.

MR. OTTENHEIMER:

When the hon. gentleman asked about a deal he is not thinking specifically of the fishery area?

MR. BARRY:

Well, it might be. Is there a deal for the fishery in return for something else?



MR. OTTENHEIMER:

With respect to the fishery, as my colleague said, of course Quebec's position with respect to shared jurisdiction and greater provincial jurisdiction for the fishery of the coastal province is long standing. They are supportive of that irrespective of what our position will be on anything. I do not think that would alter at all because it is in their interests, and they have had a delegated authority since the 1930s that other provinces have not had.

But for the more general point of view, Newfoundland has had at the political level two meetings that I attended with the Quebec Minister of Intergovernmental Affairs, and there have been a number of meetings of officials. Of course, it is public knowledge that there will be a meeting of First Ministers the end of April to deal with that question of Quebec's adherence to the Constitution.

I suppose the best way of really saying it is I think in an area like the adherence of Quebec to the Constitution you are dealing with extremely important matters, such as the amending formula and Newfoundland has to be very conscious of the need to protect our own position, that our position as a Province should not be weakened in any way, and that while we will do anything reasonable to accommodate Quebec's adherence to the Constitution we will not do it at the expense of the best interests of Newfoundland. But in terms of discussing any number of issues, we are certainly willing to do so.

Perhaps I could add with slight indulgence, but I think it is

related to it, that when the hon. member for Mount Scio - Bell Island commented on the Ministerial Statement, he was referring to a statement made by Mr. Mercer, Hydro's Vice-President. If I could, and it will not take me long, just put that in the context, Mr. Mercer was there opposing Hydro Quebec's submission to export surplus electricity, making the Newfoundland point that it is not surplus to Canada and that in Newfoundland we need it, and Quebec, in order to minimize the arguments of Newfoundland Hydro said, 'Oh, no. There is nothing to that. There are negotiations going on between the two hydro companies,' or something to that effect. What Mr. Mercer said, was there are no negotiations going on by officials or the company. He was not commenting on discussions which would have taken place during the past year at the political level, First Ministers or Ministers. Just to clarify that, that is what he was replying to.

MR. BARRY:

A final supplementary, Mr. Speaker.

MR. SPEAKER:

A final supplementary.

MR. BARRY:

That is how I understood it as well, Mr. Speaker. But Your Honour might recall, and I ask the minister if in fact it is not the case, that an earlier meeting and a public communiqué from the Premier of Quebec, and I understood the Premier of this Province, were to the effect that the officials of Quebec Hydro and Newfoundland Hydro were going to get together to try and arrive at some way of breaking the impasse. And that indicates that that

process was not started, or if it was started was discontinued, which is very worrisome, and I believe is an indication of failure on the part of members opposite. I ask the minister to confirm whether or not that is in fact the case. On the matter of fisheries, my question was we all know at these constitutional negotiations that there are some back rooms dealing. I would like to know whether support for Newfoundland's position on the fishery has been raised in the context of obtaining Newfoundland's support for the conditions which Quebec is seeking for agreeing to the Constitution Accord?

MR. SPEAKER:

The hon. the Government House Leader.

MR. OTTENHEIMER:

Mr. Speaker, with respect to the first aspect of the question, I think really what it comes to is this: Obviously officials of the hydros or of the departments - officials, non-elected people, professional people - will have to meet to work out a deal. If a deal is to be worked out, obviously they have to meet to work it out. But, prior to that, they cannot meet with any chance of success at all until there is, let us say, a political accord at the governmental level. Then they can go and implement that, negotiate it and put in the details. But before that can meaningfully take place there has to be a general agreement on principles at the political level. Until that has happened there is really nothing for officials to talk about, because they cannot come to that overall political agreement.

With respect to the second aspect of the question, which I think really is, Has there been a linkage between the subjects of Newfoundland's position with respect to Quebec's adherence to the Constitution and the question of shared fisheries jurisdiction, nobody has ever asked for a linkage; nor do I think anybody wants a linkage, nor does Quebec want a linkage. Quebec's position on shared jurisdiction of the fishery, of increased jurisdiction for the coastal province, is long standing and, irrespective of what our position was on the Constitution, that position is firm and historic. So there is really nothing to link.

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 a question to the Minister of Mines responsible for Housing pertaining to a question that I brought up a few weeks ago. I would like to know if it is the policy of Newfoundland and Labrador Housing to send legal bills to people living in social housing after you fail to evict them?

MR. SPEAKER:

The hon. the Minister of Mines and Housing.

MR. DINN:

Mr. Speaker, it is very difficult to answer a question of that nature. If the hon. member has a particular problem with a constituent I would be only too pleased to meet with him after the

House or up behind the curtain to discuss that matter and probably clear it up for him. It is hard to state whether there is a policy on sending legal bills. If the court orders a person to do something and the bill is charged by the court, then obviously the bill has to be sent, but you have to deal with it on individual basis. So I say to the hon. member that if he has an individual, particular case of a constituent, then I would have it checked out for him.

MR. K. AYLWARD:  
Mr. Speaker.

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

MR. K. AYLWARD:  
I would like to know from the minister what the policy is, because there are a lot of individual concerns out there that this is a policy carried out by Newfoundland and Labrador Housing. I would like to know if the minister agrees with this. I have got a copy of a Newfoundland and Labrador Housing invoice that says 'reimbursement for lawyers fees \$123' for somebody they failed to evict, who had to go borrow money from a brother-in-law to stay in a place. That is an individual case, but I would like to know how come it can get that far? That is what I would like to know. If that is the policy, does the minister agree with it?

MR. SPEAKER:  
The hon. the Minister of Mines and Housing.

MR. DINN:  
Mr. Speaker, as I indicated to the hon. member, obviously he is talking about a particular case.

There are over 300 people working with Newfoundland and Labrador Housing, 50 of whom have an opportunity to send out bills. I would be willing to take that particular case, investigate the matter and get back to the member. I am sure that if there is anything with respect to something of a questionable nature then I would certainly have it corrected.

MR. SPEAKER:  
Order, please!

The time for Oral Questions has elapsed.

#### Notices of Motion

MR. OTTENHEIMER:  
Mr. Speaker.

MR. SPEAKER:  
The hon. the Government House Leader.

MR. OTTENHEIMER:  
Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce a bill entitled, "An Act To Amend The Canada - Newfoundland Atlantic Accord Implementation Newfoundland Act."

And on behalf of the Minister of Municipal Affairs (Mr. Doyle), who I think is out in Holyrood announcing glad tidings of joy, I give notice that I will on tomorrow ask leave to introduce a bill entitled, "An Act To Amend The Emergency Measures Act", and that has nothing to do with the Liberal Leadership Convention.

SOME HON. MEMBERS:  
Hear, hear!

MR. BLANCHARD:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Labour.

MR. BLANCHARD:

Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce a bill entitled "An Act To Amend The Occupational Health And Safety Act", Bill No. 18.

MR. BRETT:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Social Services.

MR. BRETT:

Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce a bill entitled "An Act To Amend The Rehabilitation Act". I also give notice that I will on tomorrow ask leave to introduce a bill entitled "An Act To Amend The Day Care and Homemakers Services Act, 1975".

Answers to Questions  
for which Notice has been Given

MR. SIMMS:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Forest Resources and Lands.

MR. SIMMS:

Mr. Speaker, a couple of days ago in the Estimates Committee a question was asked, I believe by the member for Windsor - Buchans (Mr. Flight), but I am not sure. It is from somebody from the Opposition. The question was how much did the Department of Forest - this is in addition to the four answers that I tabled yesterday,

Mr. Speaker. This makes five answers in two days - Resources and Lands spend -

MR. TULK:

On a point of order, Mr. Speaker.

MR. SPEAKER:

On a point of order, the hon. the member for Fogo.

MR. TULK:

I want to congratulate the minister on his passing out the five answers, and ask if he can influence some of his other colleagues over there.

MR. SPEAKER:

There is no point of order.

MR. SIMMS:

That is a point of nonsense, Mr. Speaker.

How much did the Department of Forest Resources and Lands spend on vehicle rental or leasing for the fiscal year 1986 -1987? And how many vehicles were either leased or rented? Listen closely now. For the fiscal year 1986 - 1987, thirty (30) vehicles were either rented or leased by this department. Ten of the rented vehicles were used - Mr. Speaker, I want you to pay close attention - by the additional temporary staff who were hired to assist in the implementation of the spray programme.

SOME HON. MEMBERS:

Hear, hear!

MR. SIMMS:

Other vehicles were rented for use by temporary employees on Summer assignments, such as monitoring silvicultural operations, plantation assessments, and herbicide programmes. It is also the practice, Mr. Speaker, in

silviculture to rent foremens' vehicles for short periods of time for transportation of tree seedlings and safety equipment for some silvicultural operations. I trust this answer is satisfactory to members opposite, and I hereby table it.

MR. DINN:  
Mr. Speaker.

MR. SPEAKER:  
The hon. the Minister of Mines and Housing.

MR. DINN:  
Mr. Speaker, this is the answer to Question No. 3, put by the hon. member for Stephenville (Mr. K. Alyward), 'To ask the hon. the Minister of Housing to lay upon the table of the House the following information: (1) How much money was spent thus far under the new Social Housing Agreement signed with the federal government? And (2) In what areas of the Province has the money been spent?

Mr. Speaker, that is very difficult. The member for Stephenville is no doubt aware that the federal government and the Province signed the Global Agreement governing housing programmes just a short year ago. This provided an umbrella arrangement pertaining to the future responsibilities of both governments in the area of planning, delivery and targeting of social housing with the related master operating and individual agreements concluded on June 24, 1986.

Given the relatively short time span since these agreements were signed, I feel it would be more meaningful if the total dollars committed pursuant to the Global

Agreement for 1986 were outlined. There was over \$18.2 million committed in cost-shared 75/25 federal/provincial funds last year under the various mortgage lending, home repair and social housing construction programmes delivered by the provincial corporation. In addition, almost \$1 million in federal provincial subsidies were provided to municipal non-profit, private/non-profit and chronic care projects. Finally, both governments also cost-shared in subsidies under the Rent Supplement Programme in 1986 valued at upwards of \$200,000. In total then, in 1986, over \$19.4 million has been committed in federal/provincial funds pursuant to the Global Agreement on social housing.

It is also worth pointing out that the commitments under the Global Agreement do not take into account some \$35 million in funds allocated in 1986 to cover such items as upgrading of rental housing stock, provision of group homes, residential and industrial land development, etc.

(2) Funds committed and subsidies provided pursuant to the Global Agreement and broken down by seven areas of the Province: Avalon Peninsula \$6.9 million, Burin Peninsula \$1 million, Labrador \$1.8 million, Gander region \$2.5 million, Grand Falls region \$2.6 million, Corner Brook \$2.8 million, and Stephenville \$1.8 million, for a total of \$19.4 million of housing provided under the Global Agreement last year.

#### Orders of the Day

MR. OTTENHEIMER:

Motion 5.

On motion, Bill No. (24) read a first time, ordered read a second time on tomorrow.

MR. OTTENHEIMER:  
Motion 2.

MR. SPEAKER:  
Motion 1, the hon. the member for Bonavista North.

MR. LUSH:  
Mr. Speaker, by way of establishing coherence and cohesiveness and some degree of continuity to the remarks that I was making, let me just recapitulate a couple of the points that I had been making up to the point when I adjourned the debate on Tuesday.

I had been saying that this budget demonstrated that this particular administration did not know where it was going, that they have lost control of the financial affairs of this Province and have thrown the Province of Newfoundland and Labrador at the mercy of Ottawa. We have arrived at this position through the fiscal mismanagement of this government, waste, extravagance, and squandering which I have substantially documented and demonstrated through highlighting the deficit on both current account and capital account.

With respect to the minister's predictions re the deficit and the growth in the economy of this Province, I advanced the notion, and indeed the fact, that based on the minister's past track record we should not be too optimistic that he will be any more accurate this year than he has been in previous years with respect to his budget estimates. Indeed, the

minister with respect to his predictions has proven himself to be less reliable than a stopped clock, which is right twice in twenty-four hours. I doubt that this minister has ever been right twice with respect to his predictions.

Mr. Speaker, while developing my theme of fiscal mismanagement perpetrated on this Province by the government, when I adjourned the debate on Tuesday I was specifically making some comments about the seriousness, the gravity, and the hugeness of the Province's public debt. I was saying that a further illustration of the financial abyss and the serious and deep financial hole that this government has forced this Province in is demonstrated by the high cost of servicing the public debt.

Now, let us look at that for a moment, the high cost of servicing the public debt.

MR. TULK:  
Hundreds of millions.

MR. LUSH:  
In terms of ranking the cost of servicing the public debt either on a dollar basis or on a percentage basis, we find that in terms of expenditures the public debts ranks third.

MR. TULK:  
Third highest.

MR. LUSH:  
Third highest, just behind Education and Health. The expenditures of Education will be \$577 million in this fiscal year, which represents 23 per cent of the total expenditures of the Province.

Health will cost us \$545 million, or 22 per cent of the expenditures. And coming right behind that is the cost of servicing the public debt, amounting to \$469 million or 19 per cent practically. It is specifically 18.9 per cent which, for all intents and purposes, Mr. Speaker, is 19 per cent. Nineteen cents out of every dollar, that is what it is costing the taxpayers of this Province to service the public debt. Every time you get a dollar you realize that 19 cents must be taken out of that to service the public debt of this Province.

So, Mr. Speaker, that is where we are financially in this Province today. I remember fifteen years ago when some of the hon. gentlemen opposite were still in the Opposition and what a furor they made at that time about the public debt of this Province. What a furor they made, and at that particular point in time it was a little more than the monies that the government is going to borrow this year to service the public debt.

So, Mr. Speaker, we have come from \$850 million of a public debt at that time to today when it is \$4.7 billion. And what do we have to show for it? The highest unemployment rate in our history. The highest unemployment rate in Canada. I do not know, Mr. Speaker, but it is the highest unemployment rate in the Western world. I suppose it is. Practically 100,000 people in this Province are desperately looking for jobs. And that is not all the story, the indignity, the deprivation which unemployment is causing the people of this Province is incredible, it is unbelievable.

Mr. Speaker, the cost of servicing the public debt is the percentage of expenditures ranking third, and if it keeps going, if it keeps escalating the way it is it is not going to be long before it is going to take place number one, it is going to take the first position of the expenditures of this Province to service to public debt. What a shock and what a burden!

MR. BARRY:

Where is it now?

MR. LUSH:

It is 18.9 per cent now, ranking third behind education and health. What a tragedy! What a travesty! This is where we have come all because of the fiscal mismanagement, the waste, the extravagance and squandering by hon. gentlemen opposite. That is where we have come, Mr. Speaker.

MR. BARRY:

Could we have some examples of this waste and this squandering?

MR. LUSH:

Well, Mr. Speaker, I demonstrated that the other day in talking about political patronage, pork-barrelling, not assigning the right priority to spending of money. I mentioned about the relocating or building of the Motor Registration Building in Mount Pearl. We used that as an example. The political patronage that has been documented time and time again here in this House and the municipal grants, the pork-barrelling, all that has been documented, Mr. Speaker, and well substantiated. The result of it all is to put us in this financial bind, in this financial hole.

Now, Mr. Speaker, I want to get on to another matter in the budget.

One of the cruelest austerities of this budget was the announcement by the Finance Minister of a three year freeze on the construction of nursing homes, new hospitals and major renovations to hospitals, new public buildings, and Memorial University buildings. Apart from the severe and crippling blow to the Province's construction industry that this freeze will impose, it carries even more severe implications for the Province's overstrained, overcrowded health care system, and is drastic news for the university which has been described recently as being in a very difficult financial bind. And we alluded to this, the financial bind that Memorial University is in, preventing them from offering the youth of this Province the quality education that they by right should have. But, Mr. Speaker, they cannot do it because of the financial restrictions placed upon them, and placed upon them particularly by this budget.

The result of this three year freeze, Mr. Speaker, will be that during that period there will be no improvements made in the levels of employment in this Province. Rather, I suspect, the unemployment level will again continue to escalate. That will be the result of this three year freeze. Also, Mr. Speaker, the municipalities of this Province, many of which have water and sewer services totally inadequate to meet their needs and which spent most of last year pleading with and imploring the government for extra money to upgrade these essential services, they, too, have received disappointing, disturbing and bitter news in this budget. Because when they heard that there will be a three year

freeze at current levels of funding for water and sewer facilities and on paving projects or road improvements, this was most demoralizing, most disturbing.

During this period, Mr. Speaker, the pressure on many of the municipalities will become intolerable. As a result of this three year freeze on water and sewer development and on road construction, this measure is going to stymie and stifle the development of towns in rural Newfoundland.

And that is where it is going to hurt, Mr. Speaker, this three year freeze. That is the area that is going to suffer the most because of this three year freeze, rural Newfoundland. That is the area that needs the nursing homes, that is the area that needs the improved health facilities, that is the area that needs the water and sewer, that is the area that needs improvement to their roads, rural Newfoundland. Mr. Speaker, this three year freeze will be devastating to the development of rural Newfoundland. Yes, Mr. Speaker, in spite of all the lip service and the rhetoric of believing in rural Newfoundland, they have been dealt a devastating blow by this government and by this three year freeze on nursing homes, new hospitals, hospital expansion and new buildings, but particularly and specifically the freezing at current levels of expenditures on water and sewer and on road improvements.

Now, Mr. Speaker, I want to also get into the various tax increases in this budget which will dig deeper and deeper into the pockets of the consumers of this Province, consumers who are already burdened with the heaviest taxation rates



in Canada. But, Mr. Speaker, did the government, did hon. gentlemen opposite, think that the taxpayers of this Province were already overburdened? Did they think that the taxpayers of this Province could not bear any more? Did they think that? No, Mr. Speaker, they continue to put tax increases on insurance companies, tax increases on the corporation capital tax, tax on liquor and increases on certain fees and licences. Who will pay those taxes, Mr. Speaker? Who will pay the tax increase on insurance companies? Who will pay it? And a considerable amount, \$2.5 million. Just watch how much the insurances will go up this coming year as a result of this measure. It does not look very much, just a percentage increase, but just look at the cost of insurance this year, auto and home. They hope to raise \$2.5 million on it, Mr. Speaker.

Now, do hon. gentlemen think that that tax is not going to be passed onto the consumer? That is who will pay that tax. And hon. gentlemen will realize it when they have to renew their insurance policies, they will know who is paying this increase.

The corporation capital tax, the same thing, Mr. Speaker, that will be passed on to the consumer.

The increase in certain fees and licences: We do not know what they are, but we can be assured that every fee or everything that we have to pay a fee for in this Province, a licence, from a motorcycles to hunting licences, they will all be increased. Again, it is on the consumer. It is the consumer who is going to have to bear this burden, the consumer who is already overtaxed,

burdened. All of us, Mr. Speaker, every single person in Newfoundland and Labrador will be affected by the increase in these taxes.

Mr. Speaker, I suggest that across the whole spectrum of this Province's social service system, in health, education, municipal affairs and transportation this budget was a tragedy. There is not a single one of those areas that I have mentioned not in need of expansion, repair or renovation, but none received the needed aid or the aid expected in this budget.

Mr. Speaker, in terms of improving and providing additional monies for improving the vital public services of this Province I am afraid there is very little. In terms of improving the public services of this Province this budget represents a halt, a standstill.

In Education, for example, Mr. Speaker, if I could just raise a few questions, what measures in this budget will improve the illiteracy rate in this Province next year? What monies were given in this budget to address that very serious problem identified by the Royal Commission on Employment and Unemployment, the very serious problem of illiteracy? I see no measures in this budget that will help reduce that very serious problem, the highest illiteracy rate in Canada? What measures in this budget will improve the retention rate in our high schools? Again, we have the lowest rate of retention in high schools. We cannot keep our students in high schools so that they can become literate, so that they can become educated and qualified to earn a living. We

have the lowest retention rate in Canada. I would suggest, Mr. Speaker, that the best move that this government can make to ensure that our literacy rate is improved and to ensure that our retention rate is improved is to provide jobs for our people to give them some hope, to give them something to aspire to. I think if there were jobs in this Province we would find that both these areas would improve, the literacy rate and retention rate. Because our unemployment levels are so outrageous, young people see no purpose in pursuing their education. The only thing they can see are these ten week and twenty week work projects, and they do not see any necessity for getting an education to get on these projects. That is the kind of future that our young people are becoming accustomed to looking at.

Mr. Speaker, what we have to do is provide a bright future for our young people, provide jobs, then, I think, we will improve education in this Province, then our young people will see the need and the necessity to have an education. But as long as we keep on going the way we are, as long as unemployment levels stay the way they are, then I am afraid our young people will not see much purpose in pursuing their education. It is a sad indictment, Mr. Speaker, on the state of economic affairs in this Province but, I suggest, that is where we are.

Mr. Speaker, the omissions in this budget were equally glaring. There was no reference to support for increased day care support. We hear members opposite giving LIP service to the importance for day care support, but they did not

provide very much in this budget to show that they are really concerned about it. They really did not do much in this budget to show that they are going to make some progress in this most important and vital area of providing day care support. There is nothing in this budget, Mr. Speaker, that will improve that situation. There was no mention of aid to students.

MR. DINN:

We have the best student aid programme in Canada.

MR. LUSH:

Mr. Speaker, it is amazing how hon. gentlemen believe that just about everything they have is the best. They specialize in using adjectives in the superlative and, Mr. Speaker, that is part of the problem. You cannot solve a problem until first of all you recognize that there is one. And that is the problem with this government, they do not recognize that we have a problem. Do they recognize that we have a problem in unemployment, or employment, whichever way we want to look at it? Do they realize that this year in Newfoundland there were more people hungry, there were more people cold, there were more people not adequately dressed, that there were more people living in inadequate housing than ever in our history because these people could not afford to provide themselves with the necessities of life?

MR. DINN:

That is not true.

MR. LUSH:

That is true, Mr. Speaker, and I do not know where the hon. gentleman is living.

MR. EFFORD:  
He is living under his own dome.

MR. LUSH:  
They have their heads in the sand, Mr. Speaker. I have seen more poverty, more deprivation in Bonavista North this year than was ever there in the history of Newfoundland.

MR. DINN:  
Why do you not do something about it?

MR. LUSH:  
Now, the hon. gentleman if he would resign and let me go over there, I will do something, Mr. Speaker, let the hon. gentleman know that.

MR. DINN:  
You had twenty-three years to do it, and you gave it all away.

MR. EFFORD:  
For twenty-three years at least people were working in the province.

MR. SPEAKER (Mitchell):  
Order, please! Could we have order?

MR. DINN:  
You are going to disown Joey and all that crowd, are you?

MR. LUSH:  
I cannot be responsible for what governments do. The next thing you are going to impose upon me is the sins of Sir Robert Bond.

MR. DINN:  
Oh, my!

MR. LUSH:  
You are going to hold me accountable for the mistakes of Sir Robert Bond and Mr. Whiteway and all of those people. The next

thing you will be laying the blame on me for the discovery of this Province by John Cabot.

No, Mr. Speaker, I am not responsible for anything that any government has done in this Province. I was never a part of a government and I will not take any blame for what any government did or did not do in the entire history of this Province. I have never been a part of it.

Mr. Speaker, these lame excuses will not get the minister anywhere. The people of Newfoundland are too intelligent, too brilliant to be caught with that kind of stupidity. That kind of stupidity will not wash any more in this Province. There was a time in this Province when politicians could get away with inane and stupid statements, but I am afraid they cannot do it any more, Mr. Speaker. I suggest to you, Mr. Speaker, this Province has never seen worst economic times than what they are going through today.

Before I got de-tracked I was talking about the glaring omissions in this Budget. I referred to day care, and I referred to no support for student aid.

One of the biggest problems, Mr. Speaker, one of the biggest omissions in this Budget was the lack of any systematic plan to deal with the vicious high rate of unemployment in this Province, particularly for our young people. Mr. Speaker, that had to be certainly one of the big flaws of this Budget. And, unbelievably, no reduction in the progressive 12 per cent retail sales tax.

Mr. Speaker, the Premier keeps asking, 'Where will we get the money to offset the reduction in the retail sales tax?' Mr. Speaker, the Premier does not understand the argument that is advanced by every economist, by every economic forecaster, by every financial expert that, when taxes get so high, they reach the point of diminishing returns. When we have taxed the consumer so much, they are left with less and less disposal income. I mentioned to the Premier the other day in questioning him the Conference Board of Canada, in a recent report to the federal government, stated emphatically and categorically that the major reason for the decline in the economic growth of Canada was the result of tax measures imposed on the consumers in 1985 and 1986 by this federal government.

Mr. Speaker, if that is so, if increased taxes resulted in a decline in the economic growth of Canada as a whole, how much more true, how much more accurate, how much more validity can we attach to that policy or that statement than to Newfoundland and Labrador where we know we all ready have the highest taxation rate in Canada? 'No,' the Premier says, 'It does not apply to Newfoundland and Labrador,' not that very sound and practical policy or statement of fact. 'It applies to Canada as a whole, but not to Newfoundland and Labrador. That is comparing oranges with apples.' I would think we are a part of Canada and we are a part of its economic growth. I would expect that taxes in Newfoundland have the same effect as taxes in Canada in general. Taxes take money out of your pocket. When you tax the consumer, that means they have less money to spend. The

government is taking more and that stymies economic growth. But no, Mr. Speaker, that well established and well founded principle does not apply to Newfoundland and Labrador. We can carry on taxing Newfoundlanders and that policy, that statement of fact, does not apply to Newfoundland and Labrador, although it applies to Canada as a whole. You would not know but we were not a part of Canada and we were an exception somehow to this well established economic principle, this well established, well proven, well documented economic theory. What a lot of hog wash, Mr. Speaker, what a lot of unmitigated twaddle.

That was regrettable that the government took no steps to reduce the provincial retail sales tax, even though they were requested to do this by the St. John's Board of Trade, by other business groups in the Province and by economists in the Province. There was just about a universal request from the St. John's Board of Trade, that great conservative organization. They recognized the validity of that economic theory which says when the rate of taxation gets high, it reaches a point of diminishing returns and has a mushrooming effect that will cause a decline in the economy, that will result in less revenues to the government and that will help develop a larger deficit, or at least not give them sufficient funds to pay off the present deficit.

The Minister of Finance (Dr. Collins) and the Premier seem to be the only ones that do not subscribe to this economic theory, the only ones, Mr. Speaker.

Other glaring omissions, Mr. Speaker, include not the same kind

of reference to the offshore oil development that we have been led to expect from this government. No reference to the offshore oil development, of course, the budget predictions for economic development in this area are so much contingent upon the assumption that Hibernia development will start this year, and of course they do not know whether it will or not. We do not know that. That great future hope is in abeyance now, on the back burners and it was unfortunate to see no reference to offshore development, or very little reference to it.

There was nothing substantive or nothing at all about Labrador hydro and the power generation options that we would have to look to in this year; nothing about any kind of a deal on the Upper Churchill power contract, and nothing about what our generation options will be in the future. We know that we are going to need more power. As a matter of fact, the budget clearly indicates that we are going to have to start in this year, but again, no details on this and no details of where we are going to go in this respect and no details of expenditures for this.

So, Mr. Speaker, the budget was a poor document. As I have said before, it threw us at the mercy of Ottawa, contingent upon a plan that we needed Ottawa's participation to kick start the economy. Mr. Speaker, there has been very little said about that plan. I wonder, when hon. members rise to speak and talk about this great plan, if they can fill us in on some details. Did they present this plan, before presenting it in this House, to Ottawa? Does Ottawa know anything about that

plan? If they did, did Ottawa give them any kind of commitment as to how much they will involve themselves in this plan? Can they bring us any kind of a report on what Ottawa thought of the plan?

Hon. gentlemen should address matters about this plan, especially whether they presented it to the federal government before they presented it to this House? If they did present it to the federal government, they should tell us what kind of commitment the federal government gave them in launching this plan to kick start the economy of this Province. Because, Mr. Speaker, if there was ever an economy in Canada that needed to be kick started and quick started, it is certainly the Province of Newfoundland and Labrador which has had incompetence and failure perpetrated on it for the past fifteen years.

So, Mr. Speaker, if there is a plan, if they have submitted that plan to Ottawa, they should let the people of this Province know so that, at least, we have some ray of hope, we have some ray of optimism for the future, and not leave us in the state of absolute demoralization we find throughout this Province of Newfoundland and Labrador today.

Mr. Speaker, another serious flaw in this budget, and one of the most serious flaws and weaknesses in the entire budget, was the lack of any systematic, comprehensive, economic plan for the development of this Province. No economic plan emanated from the recommendations of the Royal Commission on Employment and Unemployment.

Mr. Speaker, this government could

have been excused by their greatest supporters for not having done anything over the past number of years because they acknowledged they did not know what to do by the setting up of this Royal Commission. But now they have the report of this Royal Commission with several sound and practical recommendations recommending things that this government can do, activities they can promote in rural Newfoundland, and certain measures that they can take with respect to education, but no, Mr. Speaker, not a single thing practically. They made a few small, weak, feeble moves with respect to small business in terms of expanding their grants and their loan system. In education, there was the reference to the community colleges.

But, Mr. Speaker, that is not the sum and substance of what the Royal Commission recommended. There was over 200 recommendations, and I would suspect that they have not addressed five.

Mr. Speaker, that was the great weakness of this particular budget, no serious, systematic, economic plan. Of course, if we had gotten a plan, there would have been no guarantee that the hon. gentlemen would have followed through because they have given us many plans in the past. Maybe that is why they have given them up because they knew they have taken the people so many times right to the very summit and had them look around.

MR. CALLAN:

Took them to the cleaners.

MR. LUSH:

That is where it ended up, Mr. Speaker, it took them to the

cleaners. So now, maybe, they are levelling with the people of Newfoundland, now, maybe, they are being honest with the people of Newfoundland by throwing their hands up in the air and saying, 'Ladies and Gentlemen, we are sorry, we have no plans for this Province. We have no initiatives.'

MR. SIMMS:

Tell us your plan.

MR. LUSH:

Mr. Speaker, is the hon. gentleman anxious that I carry on until 6:00 p.m.? Because we have the plans, the sound financial, economic development plans that will put this Province on a firm foundation.

SOME HON. MEMBERS:

Hear, hear!

MR. LUSH:

We have them, Mr. Speaker. Over the years we have repeated them time and time again, through repetition that became tedious and laborious, but they have not paid attention to one recommendation that we have made to them, no more than to what the Royal Commission made to them. What is the point? The Royal Commission on Employment and Unemployment made the recommendations but the hon. gentlemen do not even have the initiative, the courage, the political will to carry out activities when they know what they have to do. That is the problem, Mr. Speaker.

Now, Mr. Speaker, by way of summary and conclusion this budget demonstrates beyond a shadow of a doubt, demonstrates unequivocally that this administration was and is a hostage to the bond markets. It shows, Mr. Speaker, that this Province's economic future, thanks to the mismanagement and the

abominable incompetence of Premier Peckford and all of his Cabinet ministers - it is proven, Mr. Speaker - what they are now doing is planning from the weakest position of all, namely, bankruptcy, and at a time when relations with the federal government were never worse. I said the other day that they are ascetic, acidic and acerbic. Mr. Speaker, that is the state of the relations that they have developed with the federal government and yet they expect them to bail them out. It shows a government, Mr. Speaker, which has declared war on their federal counterparts for the last three months, in the most recent time, announcing that the only way out of this economic and financial quagmire is through the help of the very people that they are condemning, is through the help and the assistance of the very people they are slamming in the face and kicking in the stomach. What a way, Mr. Speaker, to try and seek support and assistance.

Now, Mr. Speaker, this government in this budget showed themselves at the very top of the class in the going-to-Ottawa-cap-in-hand school. Instead of seeking to control our own destiny, Mr. Speaker, this particular government, the Premier and his Cabinet ministers, have thrown us at the mercy of Ottawa. I hope that Ottawa will prove themselves as generous and as kindhearted as they have been over the years. Because if not, Mr. Speaker, this Province will be doomed. Thank you very much.

SOME HON. MEMBERS:  
Hear, hear!

MR. WINDSOR:  
Mr. Speaker.

MR. SPEAKER:  
The hon. the President of the Treasury Board.

MR. WINDSOR:  
Thank you, Mr. Speaker. First of all, Mr. Speaker, the hon. gentleman opposite talks about the state of the economy of our Province. We have heard a great deal lately about the state of the Liberal Party, and the greatest testament I can show to the state of the party is the address just completed by the hon. gentleman opposite.

This budget is a very important budget. It has some very important aspects to it which deserve a great deal of scrutiny and comment, not the least of which is the large deficit. We do not intend to make light of that. The deficit is a serious deficit and not one that we are happy with. The greatest point that hon. gentlemen opposite have come up with so far is that ministers spent a few dollars travelling around the country doing their jobs, making themselves available to the people of this Province, and trying to attract development into this Province to create jobs. That is the biggest point they can make on this budget.

Mr. Speaker, we have a deficit of \$172 million, shown in this budget, and the biggest point they can pick on is a little bit of travelling expenses by ministers.

MR. BARRY:  
Rickshaw!

MR. SIMMS:  
He wanted us to go to Quebec today.

MR. WINDSOR:  
He wanted us to go to Quebec today. The hon. member for Mount

Scio - Bell Island (Mr. Barry) wants us to trot off to Quebec now, as if we have not been there before. They used today as a figure \$2.5 million.

MR. FLIGHT:

What about \$8.8 million for the Mount Pearl Building?

MR. SPEAKER:

Order, please!

MR. WINDSOR:

I am not going to spend all day playing around with peanuts and irrelevant little comments like that.

If we took the whole \$2.5 million, if we said to ministers, 'You do not move away from Confederation Building or none of your assistants or anybody else, all of whose expenses are included in those numbers, all transportation, and a whole lot of other things -

MR. CALLAN:

That is not true.

MR. WINDSOR:

Yes, it is true. Absolutely true. If we eliminated all of that \$2.5 million, hallelujah! now we have only a \$170 million problem. What a solution to a deficit of \$172 million! What a beginning!

MR. FUREY:

What about the \$5 million lost to the banks last year?

MR. SPEAKER:

Order, please! May we have order.

MR. WINDSOR:

What a childish statement! CBC radio yesterday morning, Mr. Speaker, I think, found out what the opinion of the business community in this Province is on

the comments made by hon. gentlemen opposite. They asked people to phone in to say, 'How do you feel about the expenses of ministers?' The first four calls said, 'Wonderful! They should spend more. They should travel twice as much because they are doing a tremendous job.'

MR. TULK:

Did you make one of the calls or what?

MR. WINDSOR:

No, I did not make any calls. I did not even hear the programme, I was told about it afterwards, Mr. Speaker.

MR. SIMMS:

What about the open line programme today?

MR. WINDSOR:

What was on the open line programme today? Was it good today?

MR. SIMMS:

It was good today. The Leader of the Opposition was on today.

MR. WINDSOR:

Gave him a roasting again today? The P.C. Party does not try to stack the open line programmes like the Liberal party does, Mr. Speaker. We do not need to, the facts speak for themselves.

Now, the hon. gentleman did not make many points worthy of comment, Mr. Speaker, in the two or three hours that he spoke in this Legislature. He talked about the Liberal leadership. I know I am not allowed to refer to newspapers, but I turn hon. gentlemen' attention to a cartoon in today's editorial page. It would be funny if it was not so possible. Here they have a



picture of a polar bear and it reads, "As the Liberal leadership race heats up, a new candidate has come in from the cold. Mr. P. Bear has decided to run and was spotted recently campaigning in Holyrood, Ferryland, Placentia Bay, Seal Cove, Upper Gullies, and Kelligrews!" Mr. Speaker, it would be funny if it was not so possible. Because that is probably the best they will do.

Now, Mr. Speaker, there were not many points made by the hon. member. One thing that he did say is that the Province has lost control of its financial affairs.

SOME HON. MEMBERS:  
Oh, oh!

MR. WINDSOR:  
Unlike the hon. gentlemen opposite, Mr. Speaker, we do not have a problem with our leadership. This party is 100 per cent united behind the Premier and leader of our party.

SOME HON. MEMBERS:  
Hear, hear!

MR. SPEAKER:  
Order, please!

Can we have order? Each gentleman in the House has an allotted time to make his comments and I am sure that the whole House would like to hear what is being said. The hon. the President of Treasury Board (Mr. Windsor) is making a speech and I think that we should give him the privilege of being heard in the House.

SOME HON. MEMBERS:  
Hear, hear!

MR. WINDSOR:  
Thank you, Mr. Speaker. I will not be distracted from what I want

to say about the budget. I just make one final comment as it relates to the leadership of our party, Mr. Speaker, you do not see a rear view mirror on the Premier's desk, the Opposition Leader needs one because he has to keep looking back.

MR. TULK:  
His back is too far away for that.

MR. WINDSOR:  
Now, Mr. Speaker, the hon. the gentleman for Terra Nova made a statement that the Province has lost control of financial affairs.

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

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

MR. GREENING:  
I never made any point.

SOME HON. MEMBERS:  
Hear, hear!

MR. SPEAKER:  
There is no point of order.

The hon. the President of Treasury Board.

MR. WINDSOR:  
Mr. Speaker, the hon. gentleman made a point that the Province had lost control of its financial affairs and were hostage to the bond market. Mr. Speaker, any government that was hostage to a bond market would hardly come in with a deficit of \$172 million. The fact is we are able to do that, Mr. Speaker, because this Province has such a highly regarded record of financial management on Wall Street, in the financial markets. We are able to come in with a deficit of this nature and still retain

credibility. There are very few provinces of Canada that could do likewise.

Mr. Speaker, he talked about the growth of our deficit and about the growth of our debt burden. I would say to you, Mr. Speaker, that is a valid concern. We are all concerned about our growing debt in this Province.

I would point out to you in 1979 when this present administration came to power we had a net public service sector debt of \$2.6 billion versus gross revenues of \$1.2 billion. So revenues represented 49 per cent of the gross debt. Now today, 1987, we have a public sector debt of \$4.3 billion with gross revenues of \$2.4 billion so that revenues have improved from 49 per cent to 56.2 per cent of Gross Provincial Debt. I do not think, Mr. Speaker, that that indicates that we have lost control of the public sector debt by any means.

The hon. gentleman talks about cutbacks, because, Mr. Speaker, I have it on authority, the hon. gentlemen over there expected large numbers of cutbacks. The problem with hon. gentlemen is that they are disappointed. They cannot find anything wrong with this budget because they do not have any better alternatives. They are disappointed they did not see the cutbacks they thought we were going to bring in because they said, "They cannot bring in a budget without serious cutbacks in municipal grants." I did not see them, Mr. Speaker, in this budget. I did not see them.

AN HON. MEMBER:

A freeze.

MR. WINDSOR:

A freeze at only \$25 million. Is that not terrible? We are only going to spend \$25 million a year for the next three years on water and sewer, which is exactly what we are going to spend this year, Mr. Speaker.

"There is a freeze," he is saying, "in Transportation." That is terrible. We are only going to spend \$40 million a year provincial money, plus another \$36 million federal/provincial money on the Trans-Canada Highway upgrading for \$76 million on highways this year. There is your freeze, Mr. Speaker.

They were expecting cutbacks in Health. They are disappointed.

MR. DECKER:

How do you know we were expecting all these things now?

MR. WINDSOR:

Oh, a source of information tells me you are disappointed. They are disappointed that there are no cutbacks in the health care sector. The fact of the matter is there is a \$40 million increase in funding for health care in this Province this year, \$40 million, over a 7 per cent increase.

Mr. Speaker, inflation is only 3 per cent, slightly over three, and we are increasing by 7 per cent allocations in the health care sector.

So, hon. gentlemen are disappointed. In education, we have increased by \$40 million. Now that is incredible. They were scared too, they thought for sure we were going to cutback in education. And they were rubbing their hands, Mr. Speaker, they said, 'We will get them when they lay off 130 teachers,' but we did

not. The minister has announced that we are going to keep 50 of those teachers and allocate them to special education, guidance teachers, librarians, science teachers, things of that nature. So that we are, in fact, improving the education system. Far from cutting back, we are improving the level of education. They are disappointed with that. They do not like that. That bothers them. They will not have any flags to wave on cutbacks in education.

They are worried about women's rights, equality of action for women.

MR. FUREY:

Tell us about that now 'Neil'.

MR. WINDSOR:

I will tell you about that. I thought they would never ask. I just happened to have some information here.

MR. FUREY:

Talk about the pay equity legislation.

MR. WINDSOR:

I just happen to have some information here on the Affirmative Action programme, Mr. Speaker. Hon. gentlemen opposite say we have not done a thing in the Affirmative Action. Let me tell him what we have done.

Crown corporations and agencies have been advised of their responsibilities for implementing affirmative action policies and programmes. Government's personnel administrative procedures and collective agreements have been amended to reflect the recommendations on Labrador allowances, maternity leave, family responsible leave

and related areas. Appointments to boards are being monitored to encourage appropriate representation of women. We had women's lobby group congratulate government a week or so ago on the tremendous job that we have done in increasing the percentage of women on various boards and agencies.

MR. SIMMS:

What did they say about the Liberal presentation?

MR. WINDSOR:

They did not have a policy. They could not find one. The women could not find a policy from the Opposition as to what they would do.

We have created two career counsellors positions for the Public Service Commission to deal with the careers of women in the public service. We recommended changes to relative pension legislation to permit participation of part-time employees in pension plans. Sexual harassment clauses have been included in collective agreements and a policy on personal harassment has been developed within government, and is in place. The Minister of Justice (Ms Verge) is in the process of reviewing the Newfoundland Human Rights Code.

An Accelerated Management Development programme for Women, Mr. Speaker, has been put in place. It has been renamed now, the Accelerated Career Development Programme for Women to reflect the diverse backgrounds and career interests of women participating in this programme. That is in its final stages. Individual career counselling, developmental assignments and training have been

provided and a final evaluation would be prepared by the Public Commission shortly.

A Personnel Policy Division has been established within Treasury Board Secretariat, a separate division on personnel policy, whose responsibilities, among other things, includes the overseeing of the implementation of employment equity, and it is developing policies on flex time and job training specifically aimed at women.

Each department has appointed an affirmative action co-ordinator, each department of government. Initial training for the group has been provided, and further sessions are being planned for May. At that time co-ordinators will be presented with a complete work force analysis of their departments. A day care centre, Mr. Speaker, will be opened on the first of June here in Confederation Building making day care services for the young children of ladies, women, people, persons and men employed in the public service available right here in the Confederation Hill Complex. A task force was reappointed to study the public service related employment concerns of people with disabilities. The second volume of the report is now being finalized.

There is what an affirmative action programme has done, Mr. Speaker, the one that the hon. gentlemen opposite say we do not have, that is not working, that is not doing anything for women, women's rights as it relates to the public service.

MR. OTTENHEIMER:

The Opposition has disabilities

and they are going to take advantage of that programme.

MR. WINDSOR:

Oh, no question about it.

I could go on. There is other information I have here from my Personnel Policy Division. There are all kinds of things being done with employment equity for women and for people with disabilities; all kind of staffing initiatives; all kinds of things dealing with equity and fairness in the work place. This government has done more in that area, Mr. Speaker, I would suggest, than probably any other province in Canada.

SOME HON. MEMBERS:

Hear, hear!

MR. WINDSOR:

Mr. Speaker, the sum and substance of the budget is very well summarized in this little document which, obviously, many of the hon. gentlemen opposite have not read. It is called "Budget Highlights" for 1987. I am not going to make light of our deficit problem by any means. It is a serious problem which this government is dealing with. I would suggest to you in this budget we are taking measures to deal with that on a long-term basis.

Far from throwing ourselves at the mercy of Ottawa, as the hon. gentlemen opposite would have you believe, we are entering into a joint effort with Ottawa to deal with that, not on our knees, Mr. Speaker, far from it. This Province has a constitutional right to have an equal level of service at a reasonable cost the same as other provinces of Canada. So it is a right we have, not something that we are begging for.

MR. SPEAKER:  
Order, please!

I wonder if the minister would mind if I announced the three questions for the Late Show, because it is five o'clock.

We have three questions for the Late Show. The first note says: "I am not satisfied with the answer given by the Minister of Social Services (Mr. Brett), and would like to have this placed on the Late Show," the member for Port de Grave.

The next question is for the Minister of Fisheries (Mr. Rideout), "Not satisfied with the answer given by the Minister of Fisheries to my question on the EEC negotiations." That is placed on the table by the member for Gander (Mr. Baker).

"I am dissatisfied with the answer given by the Minister responsible for Housing (Mr. Dinn) regarding the future of the fifty houses in the sub-division at Come By Chance. I wish to debate this matter on today's Late Show," the member for Bellevue (Mr. Callan).

The hon. the President of Treasury Board.

MR. WINDSOR:  
Thank you, Mr. Speaker.

As I was saying, I have no intention of making light of the deficit. It is a serious problem. Government will be dealing with it. Now, I heard no suggestions from the hon. gentleman opposite. He hinted at the end of his speech that they had some plans over there. They must be secret documents, because nobody has ever found them. There was nothing in any comment made so

far related to the budget by hon. gentlemen opposite suggesting alternatives. They do not have an alternative. There are no programmes or policies. We cannot find them any more than the women could find a policy on affirmative action that they did not have, and on appointments to boards and agencies.

Mr. Speaker, what is our problem? Well, obviously, in simplistic terms, we have an expenditure growth of some 8.9 per cent this year and a revenue growth of only 2.6 per cent. So, obviously, Mr. Speaker, the problem is evident. The expenditures are growing faster than revenues. Yet the hon. gentleman spent a great deal of time talking about all of the things that we should have done. There is his solution. We should have spent more money. We should have improved public services even more. What was the comment that he made? Improve vital public services by providing additional monies in these areas. That is his way of combating the deficit.

Mr. Speaker, where does the money come from? Well, 45.7 per cent comes from federal sources and various federal taxes, transfer payments, Canada Assistance plan, ongoing established programmes, and so on, 45.7 per cent. We cannot change that. You know, you either have to improve your revenue or decrease your expenditures. There are only two ways of balancing a budget. If your expenditures and your revenues do not balance, you either have to decrease your expenditures or increase your revenues. Well, we cannot unilaterally increase federal revenues.

MR. SIMMS:

You should probably go over that much more slowly because they are having a hard time understanding it.

MR. WINDSOR:

That is a bit tough, is it?

MR. SIMMS:

Yes, it is a bit tough.

MR. WINDSOR:

I do not have great background in economics, Mr. Speaker, but I think even they - I will give them credit - can probably understand that, that your expenditures and your revenues have to balance in order to have a balanced budget. If your expenditures are growing more quickly than your revenues, then so will your deficit. So 45.7 per cent of our revenue comes from federal sources and we cannot deal with that unilaterally. We have a joint initiative ongoing where we hope to address that. I am taking short-term problem now, short-term deficit.

We have 47.4 per cent from the Province. If you are going to increase revenues, the only revenue the Province can obviously increase is the provincial share, so the hon. gentleman must be advocating increased taxation in the Province. In order to find \$172 million from the 47.4 per cent funding that comes from provincial sources, there are a few things I suppose we could do. We could increase taxes generally. We could look at all taxes and say we will increase those but we would have to increase them by 15 per cent, every tax would have to increase by 15 per cent.

We could increase sales tax. If we were to raise that much money from sales tax we could put it up

to 17 per cent. That would cause a racket. The hon. gentlemen would love that, 17 per cent sales tax, or we could increase personal income tax. We would have to increase that 50 per cent to raise \$172 million. Obviously, Mr. Speaker, none of these are acceptable solutions, none of them are.

The other option is to reduce expenditures. Well, let us look at the little pie chart in the budget highlights again, Mr. Speaker. Where does the money go? 75.6 per cent of it, three quarters of our whole budget goes into education, health, social services and the provincial debt which is fixed and obviously we cannot change that, not in the short-term. We will deal with it in the long-term but we cannot change it in the short-term. So, 75 per cent of our expenditure is in that area. Obviously, that is the area we would have to look at to reduce expenditures. Now, hon. gentlemen must be suggesting that we reduce expenditures on education, health and social services. How are you going to do that? How are you going to find \$172 million? Where are you going to find it in education, Mr. Speaker?

MR. SIMMS:

We could cut out the private elevator.

MR. WINDSOR:

We could cut out that. We could cut out the Opposition. That would not hurt the Province at all.

MR. SIMMS:

Now there is an idea.

MR. WINDSOR:

That would be a positive thing to

do if you want to see what is being produced. We could cancel school busing, I suppose. Let all the children in rural Newfoundland walk to school. We could do that. That will save us \$27 million, I think, that is being spent on school buses this year. We could increase the student/teacher ratio. It is at 23.5 now, I think. We could increase that, I suppose, to 30, 35 or 40 to one. That would be a good idea. That is a good suggestion.

The hon. gentleman opposite was complaining that teachers were going to be laid off because of declining enrollment but we would not even do that. I said a moment ago we have agreed to keep fifty of those teachers and make them available for special items. We could cut that out.

We could close hospital beds, I suppose, reduce the cost of health care. We could send some of the people home. We could refuse to open the hospital in Clarendville, Mr. Speaker, or the one in Burin. We could cancel the work on the Agnes Pratt Home or the Golden Heights Manor in Bonavista. We could stop all those things. That would save some money, I suppose. That would be good stuff. We could reduce payments to persons on social assistance. That is a good option. We should not have given them the 4 per cent increase, I suppose. That is too positive. Hon. gentlemen opposite do not know how to deal with that. We have given them a 4 per cent increase.

MR. EFFORD:

You could cancel the political appointments.

MR. WINDSOR:

Cancel what appointments?

MR. BAKER:

Cut out the waste.

MR. WINDSOR:

What waste? The hon gentleman should identify the waste. You cannot make general statements. Tell us where the waste is. I would love to know where the waste is. If you are talking about minister's travel, I already told you at the beginning we could cancel all of that. That is only \$2 million, all of it.

AN HON. MEMBER:

(Inaudible)

MR. WINDSOR:

I would love to hear it but you will get a chance in a moment. I am probably running out of time now. I think I have a thirty minute time limit so I have five minutes left. I cannot wait for another one of the interim leaders or the prospective leaders to hear what his policies are going to be. I am sure the whole Liberal Party, Mr. Speaker, is waiting with bated breath to hear what the policies of the hon. gentleman opposite is going to be and how he is going to balance the budget and deal with our financial problems.

What can we do? Mr. Speaker, this government was not prepared to increase taxes in this Province at this time. The people of this Province are already shouldering more than a fair share of debt burden, particular in relation to the level of services that are being provided, which are relatively good compared to the resources available to us. This government was not prepared to ask the people of this Province to shoulder another large increase in taxation.

The hon. gentleman who just sat down made the statement that the tax increases, the few minimal increases that were the budget, will cause people to dig deep into their pockets. Four and a half million dollars in total are the revenue increases announced by the hon. the Minister of Finance in his budget.

And let me, while I am here, before I forget it, compliment the hon. minister on the tremendous job he did both in preparing the budget and in his delivery on Budget Day.

Four and a half million dollars of increases only, in total, including increased revenues from the Liquor Corporation as a result of some minimal increases there. That represents one third of 1 per cent of revenue to the Province from provincial sources, one third of 1 per cent. That is the increase that we put in, Mr. Speaker, and I said earlier, it would require a 15 per cent increase to eliminate the total deficit. Mr. Speaker, I think the hon. gentleman is really out to lunch when he says that these tax increases are going to be extremely onerous on the general public. That is just not the solution, neither is it a solution to cut back in the areas that I just talked about. These are not acceptable to government.

So we had to do a combination of things: (a) we want to try to tackle the long-term debt. That is important. That is a problem. We want to deal with that and so we have announced a freeze in some areas of capital expenditure for a short-term period of three years to try to level off growth in the debt burden of the Province and the increasing debt service

ratio. We want to deal with that in that manner.

Expenditures have increased in areas where they are critical, the high priority areas where the people of this Province need improvements to services. We have done that. The hon. gentleman opposite talk about waste. I can say without any hesitation, Mr. Speaker, that we have gone through every department's estimates with a fine tooth comb and we have trimmed down wherever it is reasonably possible to try to eliminate any waste, to try to cut back in areas that will hurt the least in order to be able to provide extra funding in the areas that are important to the people of this Province.

In addition to that, the minister has announced that we will be undertaking an efficiency study using consultants from outside because even though we have cut back, Mr. Speaker, as much as we feel we reasonably can during the budget process, in spite of that, we are still prepared to accept the possibility that there may be other small savings to be made. Anybody who wants to suggest that we are going to eliminate a \$172 million deficit by cutting back, well, there is only one way to do it, Mr. Speaker. If hon. gentleman opposite would look at the budget you would see that 50 per cent of the budget represents salaries. So, if the hon. gentleman want to eliminate \$172 million by way of salaries, well, what are we going to have to do? Lay off 15 per cent to 20 per cent of the public service. Is this what they want us to do, Mr. Speaker? Put another 3,000 or 4,000 people on the unemployment rolls of this Province and the welfare rolls of this Province.



Is that their solution to cutting back on expenditures? We can hardly do that but we have trimmed as much as possible.

I would love to address the \$8.8 million expenditure in the great historic district of Mount Pearl. I would be proud to, Mr. Speaker, because it was referred to in last year's budget. If hon. gentlemen did their homework and took the trouble to look back, they would find that project was announced in last year's budget.

SOME HON. MEMBERS:  
Oh, oh!

MR. WINDSOR:  
Can I have thirty seconds? Am I out of time? Can I have leave for another minute or two.

MR. SPEAKER:  
You have one minute.

MR. WINDSOR:  
Long enough, that project was announced in last year's budget and funding is now ongoing. Hon. gentlemen might remember, they probably do not, but I will remind them that they were told at that time when we announced that project that it was a result of a study undertaken by the Department of Public Works and Services, and the Department of Transportation which showed that it was more cost efficient, we could save money by building our own building rather than continuing to lease the building that we are in or a new building, because the one that we are in is not satisfactory. That study showed that it was better for us to build a new building.

Now, hon. gentlemen said, "Cancel that building, save \$8 million and spend more money in leases." That is their economics, Mr. Speaker,

that is their solution to it, that is the problem.

MR. SPEAKER:  
Order, please!

The hon. minister's time is up.

MR. WINDSOR:  
Thank you, Mr. Speaker. I would not want to speak past my time. It obviously hurts too much.

MR. EFFORD:  
Mr. Speaker.

MR. SPEAKER:  
The hon. the member for Port de Grave.

MR. EFFORD:  
Thank you, Mr. Speaker.

Well I have never, Mr. Speaker, never sat down and listened to so much blarney in all my life as I have heard for the last twenty minutes.

Mr. Speaker, I can understand why the Premier demoted the member for Mount Pearl (Mr. Windsor). Now I can understand why he is kept in the background. In fact, I believe that is the first time I have ever seen him stand on his feet in this session of the House of Assembly and make any statement and I can understand why the Premier does not allow him to do that.

Let me address one point about the building in Mount Pearl. Yesterday the Minister of Public Works (Mr. Young) was asked how much it is going to cost to build a building in Mount Pearl in interest payments and how much were they paying out in rent. He said, "I do not know." The President of Treasury Board (Mr. Windsor) just stood on his feet

and said the study was done by the Department of Public Works, by the minister, to ensure that it would save money for the government. Now, let me give an example.

Last year when the new West Block was put on the Confederation Building it cost in excess of \$40 million. Given an interest rate of - let us use a figure of 10 per cent, we know it was higher than that - that would be \$4 million a year in interest. The total cost of the rent of the offices that moved in there is \$3 million. So the interest payments alone per year is \$1 million more on those figures than we were paying out in rent. That is saving money!

MR. SIMMS:  
That is not true.

MR. EFFORD:  
Make no wonder the deficit is over \$4 billion when you add up figures like that!

After the building was built we had a furniture bill of over \$1 million that the Minister of Public Works, and nobody in the department, could ever foresee. It was not estimated, a \$1 million furniture bill. That is saving money.

Now, you talk about priorities.

MR. SIMMS:  
It would be better not to have furniture.

MR. EFFORD:  
Well, everybody needs furniture but when we are talking, Mr. Speaker, about the type of furniture - I am glad the Minister of Forest Resources and Lands (Mr. Simms) said we are expected to do without furniture. Let me give the minister a clear example of

what furniture is over there. When you walk into a minister's office in the new West block and you see the chesterfields, the carpet, the marble washrooms, the spacious offices they have, then you go and turn around and you walk out into a hospital and you see beds closed down; you see a waiting list of patients waiting for months and months trying to get in; you see doctors leaving our Province because of the confusion of this government and the cutbacks in expenditures; and the minister can justify living in his fancy office with a \$1 million furniture bill, with a \$40 million building, and he can sit in his seat and justify it. Make no wonder again that I say we have a \$4.4 billion debt under the Minister of Forest Resources and Lands and the administration because that is exactly how we got it.

MR. WINDSOR:  
The hon. member is just upset because he knows he is never going to get into one of those offices.

MR. EFFORD:  
We have no worries about the next election where the change around will be. We know who will be over there. You will see the people of this Province who matters most will get the benefits, not the large corporations. We care for the people.

MR. SIMMS:  
(Inaudible) and chesterfields.

MR. SPEAKER:  
Order, please!

MR. EFFORD:  
I am quite satisfied with my three by four office with the rags coming out through the chair, as long as the people of this

Province are looked after. I can do my work. I do not need a marble washroom with gold plated handles to operate out of.

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

Order, please!

MR. EFFORD:

Mr. Speaker, the Minister of Development (Mr. Barrett), the party man, he knows all about what he is getting out of the benefits of the taxpayers. He knows who is getting the benefits, and it is not the individual who is waiting to get into a senior citizens' home or the individual who is waiting to get into a hospital, or, as the President of Treasury Board referred to, the social assistant. Would we be satisfied to cut back social assistance? Believe me, Mr. Speaker, if some of the members on the opposite side had to live on \$500 per month

MR. TOBIN:

I know a good contractor over in Port de Grave who (inaudible).

MR. EFFORD:

No problem! But, Mr. Speaker, it is very serious when you start comparing the social service assistance to the type of money that is being expended by this government. Five hundred dollars a month can buy a lot of pleasures, can it not, when we know a liquor bill for one of the minister's departments is ten times that, or an entertainment bill is ten times that. A social service recipient, with a family of four, is expected to live on \$500 a month, while the President of Treasury Board got up in this House this afternoon and bragged

about it, should we cut back the social service recipients. No, you should not cut it back. You should put your priorities in the right place and ensure that those people get better conditions in which to live.

MR. WINDSOR:

That is exactly what we did.

MR. EFFORD:

Oh, exactly, 4 per cent. Four per cent of \$500 is twenty dollars. Was your raise last year twenty dollars? Your car allowance of \$5,000 a year.

AN HON. MEMBER:

It was not implemented.

MR. EFFORD:

It was implemented until we kicked up about it, and you put it on the back burner. But if we had not kicked up, you would have received your \$5,000 a year.

Now, Mr. Speaker, let me make one reference.

MR. WINDSOR:

That has nothing to do with me. It is the deputy ministers that get that.

MR. EFFORD:

Oh, the ministers do not get a car allowance. We know very well they do get a car allowance.

MR. SIMMS:

It is the same as the Leader of the Opposition.

MR. EFFORD:

Mr. Speaker, let me make a reference to one of the areas in the budget which everybody in the Province should try to agree with. The Newfoundland and Labrador Development Corporation and the Rural Development

Authority will be given \$1 million and \$1.5 million respectively, to expand their financing programme to the service sector. Now, that is a good programme, and I agree with the Minister of Rural Development, it is what is needed. But you take \$1 million and \$1.5 million, a total of \$2.5 million, and put it into the business of this Province, you are going to have very little expansion in the private sector.

Now, in talking to a employee of the Rural Development Department today we found out already that there is absolutely no money for grants coming down from the federal government.. It has run out. The minister and the government are not capable of putting that agreement back together. The minister knows very well, and, of course, the minister is probably going to make the statement that that is the fault of the Liberal Party. The Liberal Party was in power fifteen years ago, and now we are to blame for the fact that the agreement between - one time we used to call them your Tory Blue Buddies. I would say now we would have to call them your Tory Pink Buddies, because you can no longer even communicate on a friendly basis. There is no advantage to the Province, the fact that we have two governments of the same colour. That was election bait, but we soon saw that fall apart.

There is an example in the budget where it says that the monies are there, but when you go to apply for the monies and grants, we find we have not yet got an agreement with the federal government for the grants to encourage business in the private sector. How do we know, our own people, the employees of the department, are

telling us?

MR. PATTERSON:

You had your name in the paper today.

MR. EFFORD:

Yes, and I am very proud of my name in the paper. I like lots of publicity.

MR. DINN:

I dare say you do.

MR. EFFORD:

Yes, no problem.

Mr. Speaker, we have seen examples over and over again as to where the government is spending money or not spending money. We have seen examples of waste, and one of those examples is in the Department of Public Works.

Under the Minister's Salary, everything is increased. There is an increase in rental expenditures, buildings, and an increase in salaries. At the same time those increases are all throughout the department heads, we have to expect the people of this Province to accept the type of health care system, accept the type of social services that we are passing out, and accept the cutbacks in education.

Mr. Speaker, I do not think that it is right for anybody to stand up in this House of Assembly and tell 80,000 people who are presently unemployed in the Province of Newfoundland that this budget, not even the money that is wasted to print this type of book should have been spent. As the Minister of Finance (Dr. Collins) referred to 'a kick start', I say it is a kick start to poverty; it is a kick start to bankruptcy. Every minister, if they have any

idea about finances, if they have any idea about management and they care anything about the people of this Province, they would have not admit to failure. It is no question about the fact that we have a government who have continuously over the last two, three or four years admitted time and time again that, and have proved to the people that their is a distinction between the government of today and the former Liberal government. There is a major difference.

The major difference is, Mr. Speaker, that the Liberal Government has a policy that they care for the people. The people of this Province are first. The attitude of the present administration is that they care for the corporations. They care about the large investor. They are number one. Every department in the government take that attitude and it has been proven over and over again.

Mr. Speaker, everybody in this hon. House can attest to this: Growing up you would hear your parents or members of your community saying that Tory times are hard times. I think more than ever before we are witnessing the fact that is true saying, Tory times are hard times.

Earlier this afternoon the former Liberal Government was referred to by the Minister of Mines and Energy or someone who said the rights of Newfoundlanders were given away by the former Liberal Government. Let me tell the ministers and the government opposite that under the former Liberal Government, you did not have 20 per cent unemployment, you did not have 80,000 people in this Province not working, you had

people working. We had a government deficit at that time of \$800 million. Today we have a debt of over \$4.4 billion.

MR. SIMMS:

What would that \$800 million be in today's dollars? Can you tell us that?

MR. EFFORD:

Yes, sure we can tell you that.

MR. SIMMS:

Fifteen years ago.

MR. EFFORD:

Fifteen years ago, all you have to do is go with the rate of inflation. Give me a calculator and I will figure it out for you. I will give the hon. minister the opportunity to stand up and tell us what it was. The point is -

MR. SIMMS:

You are the one who is making the accusation.

MR. EFFORD:

That is not an accusation, these are facts, \$800 million compared to \$4 billion, 80,000 people out of work compared to 10,000 in those days.

MR. SPEAKER:

Order, please!

Would the hon. member care to adjourn the debate?

MR. EFFORD:

Yes, Mr. Speaker.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

I call on the hon. member for Gander (Mr. Baker) who wishes to debate an answer he got from the Minister of Fisheries (Mr.

Rideout) on the EEC negotiations.

The hon. the member for Gander.

MR. SIMMS:

That was the question George gave you today, was it?

MR. BAKER:

Thank you, Mr. Speaker.

The Minister of Forest Resources and Lands (Mr. Simms) points out that it is a question that was given me today. I would like to inform him first of all before I start it is a question that we have discussed here for the past week almost. Others matters have come up and so on. An investigation has been carried out.

The situation very briefly is this, Mr. Speaker: Some time ago there was a public committee hearing in Ottawa. It was at 151 Sparkes Street, Room 710, and this is all on the record and I have had the Hansard read out to me over the phone. During that public hearing the Federal Minister of Fisheries (Mr. Siddon) said the following, and I quoted this to the minister earlier today, but I will do it a little more slowly now so that he can easily follow: Mr. Siddon said, "Premier Peckford has agreed that we have surplus codfish, that is surplus to Canada's needs, because of the rough bottom in 2G and 2H, and this is something that has been explained to us before. Premier Peckford agrees with that and stated it publicly.

"We also have the underutilized species, such as squid and turbot." Now, he mentioned two of the underutilized species but obviously there are more. I do not know which are now being

negotiated today, "around the Newfoundland Coast." Not in 2G and 2H, but "around the Newfoundland Coast which can be negotiated."

Now then, the negotiations, Mr. Speaker, started this morning, at eleven-thirty our time, in Ottawa. At the negotiations, the chief negotiator, Dr. Victor Rabinovitch, who happens to be the ADM that is in charge of international negotiations and the international branch, plus other negotiators, including one representative from the provincial Department of Fisheries, plus representatives from industry, and I think the union was also asked to take part in these negotiations, but, as far as I can find out, nobody showed up from the union this morning at these negotiations, and they are negotiating with the European Economic Community for another deal.

My main problem with this, I say to the Minister of Fisheries, has to do with the squid. Indications now are that this is going to be one of the better years in the last eight or ten years for squid. Recent examinations of the plankton and so on offshore have indicated huge numbers of small, immature squid, much larger than has been seen in the last three or four years, which would seem to indicate that our inshore fishermen are going to have a bumper year once again, as they have had in past years, with regards to squid. The markets are there, and everybody gets involved. The minister knows full well how this affects the prosperity of a lot of the fishing communities in this Province.

My problem is, first of all, the

declaration of squid as an underutilized species, when the last number of years the squid have not come inshore, without even finding out how much of them we can utilize. If these squid came to shore, how much could be utilized by our inshore fishermen and fisherwomen? Women take a major role in terms of the squid fishery. How much of that squid could be utilized if they were allowed to get at it? How much of the squid is now going to be given to the EEC so they can go with their nets and drag them up offshore before they get a chance to come inshore.

I realize that today the minister's out, which was not a good out, I say to the Minister of Fisheries, was the hint that really there are two populations of squid out there and that the population that they are sampling now offshore is not the population that comes inshore. I say to the minister, I have checked this out with scientists at the Department of Fisheries. As a matter of fact, I heard one of them two nights ago, on the fisheries broadcast explaining their sampling methods and so on and pointing out the fact that way offshore now the indication is that there are lots of immature squid, therefore, these squid will come inshore. I point out to the minister, I know that Tom Siddon at one point in the past has indicated there are probably two different populations of squid, but that is pure speculation. There is no scientific evidence on that. There might be one or two papers written on it, but there is no hard scientific evidence that there are two squid populations out there.

I would say to the minister if

that squid is being given away today and tomorrow in Ottawa at the top floor of the Skyline there, in a restaurant that went bankrupt, probably that is significant. If negotiations are going on today and tomorrow to give this squid away to the EEC, then, I say to the minister, he should do something about it, get on it and try to stop this giveaway right now.

MR. RIDEOUT:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Fisheries.

MR. RIDEOUT:

Mr. Speaker, what short memories. We should get on it and do something about it and do something about it now. Mr. Speaker, this is the administration, this is the government that used every means at our disposal to beg the then administration not to enter into the long-term agreement six years ago which runs out this year, in 1987. Mr. Speaker, that was dragged in and made a part of the diplomatic process between Canada and the European Economic Community over the dead bodies of Newfoundlanders and Labradorians, over the objections of the unions, over the objections of the industry. Mr. Speaker, what was in that particular agreement? This business about squid, was there any squid in that LTA which runs out now, in 1987? Yes, Mr. Speaker, several thousand tons of squid in areas 3 and 4. And who gave it to them? Was there any 2GH cod in that particular agreement which runs out in 1987? Yes, Mr. Speaker, several thousand tons. And who gave it to them? Was there any turbot in 2J+3KL and 2GH in that agreement which runs

out in 1987? Yes, Mr. Speaker, several thousand tons of it. And who gave it to them? Finally, Mr. Speaker, was there any 2J+3KL cod in that agreement which runs out in 1987? Yes, Mr. Speaker, 9,500 tons worth given to the European Economic Community by whom?

Now, Mr. Speaker, what is surplus and what is not surplus? The fact that in 2GH there is a 20,000 ton allocation of cod and we have historically, since 1981, caught only 3,000 tons of it, there must be something surplus there. We are not catching it. So if you are going to do any bargaining, Mr. Speaker, and you have to bargain because this infamous document that the hon. gentleman talks about, that they put their signatures to, had an exchange of diplomatic letters in it which says that before the agreement expires in 1987 we have to begin negotiations again. It does not say we have sign a new deal, it does not say we have to extend it but says we have to begin the negotiations again, this document that he loves, Mr. Speaker. So we have to negotiate. And if you are going to carry on any negotiations, Mr. Speaker, you have to have some strategy, and the strategy is very clear in this case with the EEC. Number one is never again should this country be conned like we were from 1978 and up to 1981 into trading surplus and non-surplus fish for access to markets. Never again should we be part of that kind of deal and we will not be.

Secondly, Mr. Speaker, if we are going to do any trading at all we trade on what is surplus to our needs to gain something that we want on the other side. And what we want on the other side, Mr. Speaker, if we do anything at all,

if we do anything at all, is the strategy that this Province has worked out with the industry and with the Government of Canada and will form the basis of this present round of negotiations. There may be some deal, there may be some extension, there may not be, but the official position of this Province is that we never do another LTA like the friends of the hon. gentleman did six or seven years ago.

MR. DINN:

And his brother Geroge was up there and did nothing about it.

MR. SPEAKER:

Order, please!

I now call on the hon. member for Port de Grave who is not satisfied with the answer he got from the Minister of Social Services on overcrowding of the boy's home at Whitbourne.

The hon. the member for Port de Grave.

MR. EFFORD:

Thank you, Mr. Speaker.

I want the Minister of Social Services to listen to what I am going to say because this is not something that we are going to joke around with and play a lot of politics with. There are a couple of questions to be answered and somebody has to take responsibility for what has taken place. Now, we are talking about boys being put into a boy's home because of breaking the law, but they have to be treated at least like human beings, they have to be educated and brought back into society in a better way than they were before.

Now we witnessed a fire at the



Boys' Home in Pleasantville and it could have been a very serious fire, there could have been a number of lives lost. I received a phone call today and it was stated very clearly that fire regulations state that there should only be twenty-one boys in that Boys' Home in Whitbourne and that there are presently thirty-five or thirty-six boys there.

Now, first of all, when you get a phone call like that the first thing you think is that possibly someone made a mistake. So I made a call to the Boys' Home. Now, this is one of the things I have to find out about, because word has gone out from the department to the effect that if anybody calls asking questions about problems at the Boys' Home, mum is the word. Now, employees at the Boys' Home, or in any department, are afraid to talk because they are in fear of losing their jobs. Because when I asked the question how many boys were in the Boys' Home, they would not say. When I asked what were the fire regulations, they would not say. Then, Mr. Speaker, I took it upon myself to call the fire department and they clearly said that there should only be twenty-one there, and I then found out that there are thirty-five or thirty six boys staying there.

Now, that is a serious accusation, and if the fire department was doing its job - this is the first question - why did the fire department allow this to happen? That is very clearly breaking the law. I mean, in any business area or any public area there is a fire regulation to stop overcrowding because of the danger to people's lives. So the question has to be asked, why did the fire department

allow this?

I asked the minister this afternoon if he was aware of it, and it was only to confirm the information that I had. The minister could have said, "No, you are totally wrong." That was my question, was it a fact that the Boys' Home in Whitbourne was overcrowded? But, no, the minister stood up and very clearly said, Yes, he had been aware of the overcrowding for quite some time. Now, this is the serious part of it: Here we have the fire department, on one hand, knowing that the fire regulation called for only twenty-one boys being residents of that home - there were thirty-five or thirty-six there - so when did they last do an inspection? And if they knew it, why were charges not laid?

On the other hand we have the minister saying very clearly, and Hansard will show it, that he was aware of the overcrowding but because of costs, or because the Boys' Home in Pleasantville burned down, they were looking into the matter. But you cannot fool around with people's lives just for dollars, or because there is no space. Surely goodness the Minister of Social Services (Mr. Brett) is not going to be irresponsible enough to tell the people of this House, or the people of this Province that there is no space available in Newfoundland in which to put ten or fifteen boys.

It is absolutely ridiculous! So somebody has to take responsibility for this, and the only person I know who should take the responsibility, if the facts I have been given this afternoon are true, is the Minister of Social Services. He is totally

responsible for everything that happens within that particular department.

Now, there has to be a number of reasons why this is happening. Number one, if people in his department are not giving the information to the minister, people who should be looking after this job, and if these facts are true, then they should not be there, they should be put out. You are putting the lives of human beings at risk when you have irresponsible people in that department.

This is the other point I want to make: If the minister was aware, as he said earlier in the House this afternoon, of the overcrowding at the Boys' Home in Whitbourne, then the minister himself has admitted that he knew the law was being broken, that he knew his department - the Boys' Home - was breaking the fire regulations. If he knew all that, then he knew the danger that was being placed upon the lives not only of the residents but of the staff at the home, and that is very, very serious.

Now, I would like to be wrong. I would not like to think that the Minister of Social Services is so irresponsible in his duties. I would love for him to stand on his feet and say, 'Efford, you do not know what you are talking about. The Boys' Home in Whitbourne is not overcrowded.' That would be great, because we would know, then, there is no danger.

I asked the question earlier this afternoon, Mr. Speaker, because of information I had and because I phoned the Boys' Home and could not get any information. I asked the minister very clearly and he

stood in his place and said he knew of the overcrowding. You can say what you like, you can make all the fun you like, it is a fact that a minister of the Crown has a responsibility to his department, regardless of what department it is. When you take the danger to peoples' lives into consideration, this is very, very serious.

Two questions: I want to know why the fire department did not do something about it, and, Mr. Speaker, why the Minister, if he knew, as he said earlier, did not do something about it? Thank you, Mr. Speaker.

MR. BRETT:  
Mr. Speaker.

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

MR. BRETT:  
Mr. Speaker, I would have to assume that the hon. member for Port de Grave has been going around with cotton wool in his ears for the last number of weeks if he has not been aware of the fact that there is overcrowding in the two correctional institutions in this Province, because I have said it on any number of occasions. I suspect that I might have said it via the television media. I am sure I have said it via the radio. I would suspect that I might even have been quoted in the written media. It is a well-known fact, Mr. Speaker. I have made it known that we are overcrowded.

I tell the hon. member right off the bat that we are doing something about it. I would like to explain why the overcrowding has occurred. I would like to go back to two or three years ago

when this Province and most of the provinces in Canada objected to bringing in the Young Offenders Act, because the provinces were not ready for it. We were aware, Mr. Speaker, that once the Young Offenders Act came into being that more and more juveniles were going to be committed to secure custody and we were not ready for the number of juveniles who would be brought into custody.

Mr. Speaker, it is not a question of being mum. That is ridiculous! Everybody is aware of it. The media is aware of it. Everybody in the House is aware of it. But you cannot take juveniles out of Whitbourne or out of Pleasantville and just put them in anywhere at all. These people have been committed to secure custody, Mr. Speaker, and we have a responsibility to protect not only the juveniles but the public.

MR. EFFORD:

A point of order, Mr. Speaker.

MR. SPEAKER:

Order, please!

A point of order, the hon. the member for Port de Grave.

MR. EFFORD:

The point I want to make to the minister is that the minister has very clearly said that he knew about the overcrowding, that it was justified by the department. Is he then saying that anybody can overcrowd a building and make up an excuse to beat the fire regulations, Mr. Speaker, and that is quite acceptable to his department or any department in government?

MR. SIMMS:

That is not a point of order.

MR. EFFORD:

It is the point I wanted to make, because that is what the man is saying.

MR. SPEAKER:

Order, please!

To that point of order, there is a difference of opinion between two hon. members. There is no point of order.

The hon. the Minister of Social Services.

MR. BRETT:

Mr. Speaker, we have been working very diligently at that. As everybody knows, there was a fire over at the Pleasantville Youth Center and we were forced to move the juveniles down into the Rec Center. Since that time, we have been looking at several possibilities. We have something like \$440,000 in the budget for this year.

As I said, there are a number of possibilities. There is a possibility of rebuilding the Pleasantville facility. We are looking at the possibility of renovating the old School for the Deaf. Both the Minister of Justice (Ms Verge) and myself have been looking at two adult correctional centres, one in Bishop's Falls and one in Clarendville. Mr. Speaker, the government will, as quickly as possible, make a decision to make some move to choose one of these four options to avoid the overcrowding.

Mr. Speaker, I want to tell this hon. gentleman that this government has been more responsive to the social needs of its people than any government before Confederation or since

Confederation. We have a budget this year, Mr. Speaker, in excess of \$190 million, and in that budget there is the sum of \$500,000 to complete our planning for a brand new correctional facility which will cost the taxpayers of this Province between \$8 million and \$10 million. We cannot work miracles. We cannot wave a magic wand and have a building appear. These things take time, and we are working as fast as we can.

SOME HON. MEMBERS:

Hear, hear!

MR. BRETT:

The bottom line, Mr. Speaker, is we are aware of the overcrowding and we are doing everything we can to try to correct it.

MR. SPEAKER:

I will now call on the hon. the member for Bellevue who is not satisfied with the answer he got from the Minister responsible for Housing.

The hon. the member for Bellevue.

MR. CALLAN:

Thank you, Mr. Speaker.

Mr. Speaker, in the five minutes I have I would like to put something into the public record. I can take the example I used this afternoon in Question Period, these fifty houses that were built in the Come By Chance Subdivision back when the refinery was operating in 1974, 1975, and 1976 - it closed, of course, in March of 1976. Four years after this administration took power, they closed the refinery belonging to Joey Smallwood.

Anyway, the point I want to make, and I want to get it into the

public record today, Mr. Speaker, is that I would venture to guess - if I were a betting man I would bet money on it - that these fifty houses will not stay in Come By Chance. I venture to guess that they will be taken on flatbeds and carried to the satellite city of Clarendville. Because there is no question in my mind, Mr. Speaker, and I can quote chapter and verse -

MR. BRETT:

They have a good member, too. Speaker.

MR. CALLAN:

He is not acting very nice now, then, interrupting me. Mr. Speaker, I can quote chapter and verse that I am sure that this Premier has a personal vendetta against the district of Bellevue, and the government which he leads has a governmental vendetta against the district of Bellevue. Let me give some examples, Mr. Speaker. The fifty houses there were in mothballs as long as the refinery was in mothballs. The refinery would not be operating today, Mr. Speaker, if it was up to this government. The deal fell into the Premier's lap, he had no other choice, so he had to go ahead with the sale.

Mr. Speaker, we saw the closure of the cottage hospital at Markland a few years back, we saw the closure of the cottage hospital in Come By Chance last year, and, Mr. Speaker, if this government was consistent in its treatment of all districts around the Province I would not be able to stand in my place today and say what I am saying. You can see, Mr. Speaker, that the only possible reason why the two cottage hospitals at Grand Bank and St. Lawrence are being kept open is because of the fifty and sixty jobs respectively that

are in these two hospitals. That is the only reason. Nothing else makes any sense. I have asked questions in the Legislature and no answers that I have been given by the Premier, by the Minister of Health (Dr. Twomey) or by anybody else have made any sense; I have refuted every argument they have put forward for maintaining these cottage hospitals.

Mr. Speaker, the FPI plant in South Dildo is the only FPI plant in this whole Province that was not put up for sale. Why is FPI keeping the plant in South Dildo, a plant that is only used for two or three weeks of the year? This past Winter the people in South Dildo and that area have been very fortunate because the Burin FPI plant was being renovated for the past several months by Marco Ltd., and, as a result, the secondary processing that used to be done at Burin is now being done at the South Dildo plant and will continue to be done until the sixteenth of this month when the ninety-odd, or around ninety, people who work at that plant, and have worked there off and on mostly all Winter, will be laid off.

Mr. Speaker, let me give you another example of South Dildo: A seal pelt plant that has existed there, built by an independent company, Nygarrrd - Carino from Norway, what has happened? There has been an attempt by this government to transfer the seal pelt industry to another district, another part of this Province, to Fleur de Lys, which is represented by the Minister of Fisheries. Out at the Carino plant today, Mr. Speaker, there is nobody working, but yesterday and the day before that there were seven. They are waiting for seal pelts to come

in. They have bought two truck loads so far and processed those.

Mr. Speaker, as I go around the district of Bellevue, as I said, I can quote chapter and verse. The little town of Come By Chance, they lost their school a year and a half ago, and they lost their hospital last year. What is this government going to do next, Mr. Speaker? Are they going to roll up the five miles of pavement and put that on flatbeds and carry it to somewhere else in this Province? Is that what is going to happen next?

MR. YOUNG:

We do not need it Harbour Grace. We have lots of pavement.

MR. CALLAN:

I hope Hansard picked up what the Minister of Public Works just said, Mr. Speaker, because he just proved the point that I was making, that the pork-barrelling that goes on in his district is horrendous.

Mr. Speaker, I want the Minister of Housing to tell me now what efforts his government is going to make to try and keep these houses in Come By Chance, to build up the town rather than tear it down? Thank you, Mr. Speaker.

MR. DINN:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Mines and Housing.

MR. DINN:

Mr. Speaker, that is what we have to put up with here in this House on a daily basis from the hon. member. He does not even have the brain power to focus in on one problem. He asked a question

today about housing, Mr. Speaker.

MR. CALLAN:

A point of order, Mr. Speaker.

MR. SPEAKER:

Order, please!

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

MR. CALLAN:

Mr. Speaker, I asked the Minister of Labour a couple of questions. There were students in the gallery from my district. I saw what happened, the same thing that is happening now. If you cannot attack the argument, you attack the person. The Minister of Labour did it a couple of days ago and he should be ashamed of himself. The Minister of Housing is doing it now. I would ask him, Mr. Speaker, to address the question I asked: What is he going to do with the fifty houses?

MR. DINN:

Mr. Speaker, there is no point of order. He is just wasting my time, that is all. There is no point of order.

MR. SPEAKER:

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

The hon. the Minister of Mines and Housing.

MR. DINN:

The member can give it but he cannot take it. Now, I say to the hon. member if he cannot take the heat, get out of the kitchen. He got up here today to talk about housing. When he had his opportunity to debate housing in this House, what did he talk about? He talked about the refinery at Come By Chance. Well, Mr. Speaker, with all due respect

to the Smallwood refinery that he referred to, if the hon. member knew anything about the refinery at Come by Chance he would know that if that deal had not been renegotiated by one Frank D. Moores we would be on the hook for \$600 million. That is what the Smallwood refinery did for this Province, Mr. Speaker.

Now, Mr. Speaker, he did not have the brain power to focus on the one problem that he wanted to address today and that was housing. He talked about a refinery that he knows nothing about. He badgered the government for years, Mr. Speaker, to try to get this government to get Mr. Shaheen back in. It was not bad enough that they signed a deal with Mr. Shaheen that would have put this Province on the hook for \$600 million, he badgered the government for years to try to get Mr. Shaheen back into the Province for another \$600 million. Now, Mr. Speaker, that deal was renegotiated to a point where we only owe \$50 million on that bankrupt, white elephant, refinery, Mr. Speaker. So that is the first thing that the hon. member talked about. He did not talk about housing.

He wanted to talk about housing, Mr. Speaker, in his five minutes, but he never had that brain power to focus in on the one problem that he had today, he had to spread himself all over creation; he dealt with clinics, he dealt with refineries, he dealt with FPI, he dealt with everything else but he never had that little piece of brain power to say that the big problem out in Come By Chance today, in that area, was housing.

Now, Mr. Speaker, of the 8,000 houses that I happen to be

responsible for in Newfoundland and Labrador today, of the 8,000 that I think I am doing a pretty fair job on and that he cannot attack me on, what did he attack me on? Fifty houses that are owned and operated by CMHC. Because the white elephant refinery did not work out that his former boss put there, CMHC has 50 houses on their hands which they can not do anything with and the hon. member wants to know what I am going to do with them. Mr. Speaker, it is no wonder the hon. member left his seat and walked out of the House. It is no wonder the hon. member cannot take the heat. He can come in and ask a question but he cannot take the heat.

Mr. Speaker, the hon. member wrote CMHC and CMHC said, 'Look, we built fifty houses. We had a treatment plant there, the treatment plant and the water was turned over to the municipality, the municipality did not look after the water and sewer that was in the ground and now they want the Minister of Municipal Affairs to repair that system.' The fifty houses are there, the system is not working and, Mr. Speaker, why would anybody leave a house there if the system is not working? You have to have a system that works. Mr. Speaker, if the hon. member will intercede with the Minister of Municipal Affairs or CMHC to put a water and sewer system into the ground that works, then most of the fifty houses may stay in the Come By Chance area. Mr. Speaker, I am not the Minister of Water and Sewer, I am not the Minister responsible for CMHC. If I were, there would not be, I assure the hon. member, a problem in Come By Chance.

MR. OTTENHEIMER:

Mr. Speaker.

MR. SPEAKER:

The hon. the Government House Leader.

MR. OTTENHEIMER:

Mr. Speaker, before you put the motion to adjourn I would advise members that the Social Services Committee will meet at 7:30 this evening to review the estimates of the Department of Health. Tomorrow morning we shall, after Question Period, proceed with the resolution with respect to the Constitutional amendment affecting the schools of the Pentecostal Assemblies, when that is concluded legislation, when that is concluded adjourn, and hon. members opposite get a chance to do some campaigning and to give Easter eggs out to all their supporters.

On motion, the House at its rising adjourned until tomorrow, Friday, April 10, 1987 at 10:00 a.m.

**Index**

**Answers to Questions**

**tabled**

**April 9, 1987**



GENERAL QUESTION

Question

How much did the Department of Forest Resources and Lands spend on vehicle rental or leasing for the fiscal year 1986-87 and also how many vehicles were either leased or rented?

Answer

For the fiscal year 1986-87, thirty vehicles were either rented or leased by this Department. Ten of the rented vehicles were used by the additional temporary staff who were hired to assist in the implementation of the Spray Program. Other vehicles were rented for use by temporary employees on summer assignments such as monitoring silvicultural operations, plantation assessments and herbicide programs.

It is also the practice in silviculture to rent foreman's vehicles for short periods of time for transportation of tree seedlings and safety equipment for some silviculture operations.

**QUESTION #3:**

Mr. Aylward (Stephenville). To ask the Honourable the Minister of Housing to lay upon the Table of the House the following information.

1. How much money has been spent thus far under the new Social Housing Agreement signed with the Federal Government?
2. In what areas of the Province has the money been spent?

**ANSWER:**

(1) The member for Stephenville is no doubt aware that the Federal Government and the Province signed the Global Agreement governing housing programs just a short year ago. This provided an umbrella arrangement pertaining to the future responsibilities of both governments in the areas of planning, delivery and targeting of social housing with the related master operating and individual agreements concluded on June 24, 1986.

Given the relatively short time span since these agreements were signed, I feel it would be more meaningful if the total dollars committed pursuant to the Global Agreement for 1986 were outlined. There was over \$18.2M committed in cost shared (75/25) Federal/Provincial funds last year under the various mortgage lending, home repair and social housing construction programs delivered by the Provincial Corporation. In addition, almost \$1M in Federal and Provincial subsidies were provided to municipal non-profit, private non-profit, and chronic care projects. Finally, both governments also cost-shared in subsidies under the Rent Supplement Program in 1986 valued at upwards of \$200,000. In total then, in 1986, over \$19.4M has been committed in Federal/Provincial funds pursuant to the Global Agreement on Social Housing.

It is also worth pointing out that the commitments under the Global Agreement do not take into account some \$35M in funds allocated in 1986 to cover such items as upgrading of rental housing stock, provision of group homes, residential and industrial land development, etc.

(2) Funds committed and subsidies provided pursuant to the Global Agreement and broken down by seven areas of the Province.

Avalon Peninsula	\$ 6.9M
Burin Peninsula	1.0M
Labrador	1.8M
Gander Region	2.5M
Grand Falls Region	2.6M
Corner Brook	2.8M
Stephenville	1.8M
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	\$19.4M
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