

# Province of Newfoundland

# FORTIETH GENERAL ASSEMBLY OF NEWFOUNDLAND

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# VERBATIM REPORT (Hansard)

Speaker: Honourable Patrick McNicholas

The House met at 3:00 p.m.

MR. SPEAKER (McNicholas):
Order, please!

#### Statements by Ministers

MR. BARRETT: Mr. Speaker.

#### MR. SPEAKER:

The hon. the Minister of Development and Tourism.

#### MR. BARRETT:

Mr. Speaker, I am pleased to announce to the House today that next week, May - 17, has been designated National Tourism Week in Canada.

The Province of Newfoundland and Labrador will participate in this week long recognition of our tourism industry through a series of special events designed to emphasize the important economic role of tourism and to raise the level of public awareness as to the benefits derived from a successful tourism industry.

National Tourism Week is a private-sector driven celebration and as such, local coordination for the event will be undertaken by Hospitality Newfoundland and Labrador, which is the Torism Industry Association for the Province.

I am delighted to announce to the today that my federal House Honourable counterpart, the Bernard Valcourt, Minister of (Small Business and Tourism), will be in St. John's on May 11 to participate in the proclamation ceremony and to officially kick off this week long Canadian celebration.

A full schedule is planned for National Tourism Week including luncheons in St. John's. Clarenville. Gander, Grand Falls and Corner Brook. As well. throughout the week special activities have been planned by regional groups including a mall exhibit in Labrador West among other events.

Every effort is being made to involve the whole Province in Tourism Week under the general theme "Canada Grows With Tourism."

I think it is rather fitting that we are taking a week to recognize the importance of the tourism industry. Newfoundland Labrador is just now starting to realize the potential represented by our tourism industry. government, working provincial cooperatively with the federal invested has government money into significant development of tourism, and our efforts have spurred millions more in private sector investment.

The bottom line goal of national tourism week is to facilitate awareness of the importance of tourism. To that I would add that tourism awareness is a two-way street. It involves an awareness on the part of the general public, as customers, to know what is available from tourism operators, establishments experiences. and And, perhaps more important to the growth of tourism, it involves the the tourism awareness of businessperson to realize what the needs, demands and expectations of tourists really are. If we can satisfy the tourist's expectations consistent basis, a reasonable standards and overwhelming hospitality attitude, then we will be well on the way towards realizing the

economic and job-creation potential of this industry.

New opportunities in tourism are developing at this moment. In Labrador West, we are seeing train tours coming into the area for the first time this Summer, and from all indications, tourists are anxiously anticipating the opening of the road link to that region of our Province from Central Canada.

As well, continuing archeological and interpretation work will be done in Red Bay this Summer, and with recent improvements to the road into the area, we anticipate even more satisfied visitors than last year. The same can be said for L'Anse au Meadows, where the paving to the viking site has been completed and the route now offers an absolutely incredible journey down past Griquet and Quirpon to the World Heritage Site developed and administered by Parks Canada. New and exciting efforts are also made on the Bonavista Peninsula, promoting the Bonavista Trail concept under a theme called Cabot Experience". These areas are not only attracting an increasing number of visitors from outside the Province. hut Newfoundlanders and Labradorians themselves are also starting to realize that what we have here in terms of holiday experiences is unmatched and unrivaled anywhere this side of the Atlantic Ocean.

For years we have been accurately described as an emerging tourist destination in this country. Mr. Speaker, I am confident in predicting that this year we will truly emerge and blossom into one of the most sought after destinations on this Continent.

I call on all hon. members and all people of the Province to do what

they can to promote tourism in this beautiful Province of Newfoundland and Labrador during this National Tourism Week and beyond. For you see, tourism is everybodies business, and Newfoundland and Labrador can and will "Grow with tourism".

Thank you.

# SOME HON. MEMBERS:

Hear, hear!

#### MR. DECKER:

Mr. Speaker.

# MR. SPEAKER:

The hon. the member for the Strait of Belle Isle.

#### MR. DECKER:

On behalf of the Liberal Party, or the Liberal faction in this House, I wish to compliment the private sector for organizing Tourism Week. I should also compliment the minister, I believe, for the fantastic job that he has done with advertising down through the United States. I have gotten several comments from friends who have visited the States friends who are living in I can say, as I am being States. told, that truly our advertising, Mr. Minister, is second to none in this great Nation and I think the minister deserves to complimented on that.

We, on this side of the House, have been committed to tourism for quite some time. We have also been committed to doing something about that ninety miles from North Sydney to Port aux Basques, Mr. There is a lovely, big, Speaker. new ferry on now, a luxury liner, but only the rich can afford to travel on it. Unless something is whereby that done particular section of water is treated as an

extension of the Trans-Canada Highway, tourism will never reach its potential in this Province. Now something has to be done about that Gulf, because it is like a solid wall which keeps the average tourist out of Newfoundland.

Mr. Speaker, if we are going to have a big tourism industry, we must bring in the average men and women of North America. We cannot rely upon a few wealthy people who come here to see the quaint people and to go back after having a time, to reasonable we have all the attract people, the middle-classes as well as wealthy.

The Tourism Association of this Province, Mr. Speaker, has done an exceptional job. The Northern Peninsula has been opened up, I believe, and I think Hospitality Newfoundland had a great part in doing that. But I would put forward a word of caution to the hon. minister, and I am sure he listen to it. There is will always a danger of the Tourism a closed Association becoming Mr. Minister. shop, There is always the danger of a closed shop, and I see indications of this happening now in Northern Newfoundland. Members of the Association are all motel and tourist tourist cabin owners, operators, and it is not to their advantage to see any competition coming into the are. They do not seem to realize that more than one motel is going to give them more tourists; they see a second or a threat. as third mote1 learned the other night that in the Department of Tourism itself there is a policy that if one is established in motel particular community, then second motel is being discouraged from opening up there.

this philosophy Now if followed, Mr. Speaker, in Prince Edward Island, there would only be one motel in Prince Edward Island today and Prince Edward Island would not be the great tourist haven that it is. This something I think the minister has watch, that the Association does not become closed shop, that there is room for expansion. Because there is almost infinite room for expansion in tourism. We have 300 million people on this Continent, Speaker, who are potential visitors to this Province, and if we are going to allow tourism to become a closed shop, so that if there is one motel in a place there is not another one allowed, or if there is one set of tourist cabins we are not going to allow another, we are going to end up with a tourist industry which is far, far below what it could become.

The statement mentions the road in Labrador West. I should also ask the minister to try to encourage the extension of the road from Ouebec into Blanc Sablon - from Quebec into L'Anse au Meadows, Mr. This would make Speaker. tremendous avenue for tourists coming in from Mainland Canada whereby they could travel down through Montreal to the North Shore of Quebec and into Blanc Sablon and L'Anse au Clair, across on the Gulf, forming a loop because tourists hate backtrack. They could travel that loop and visit Red Bay, visit L'Anse au Meadows, and take the loop to Port aux Basques across to North Sydney. I hope the minister will take that advice, Mr. Speaker.

Thank you.

MR. FENWICK: Mr. Speaker.

### MR. SPEAKER:

The hon. the member for Menihek.

#### MR. FENWICK:

Thank you very much, Mr. Speaker.

The minister in his statement, I think at the end of it, says he calls on all members of the House to do what they can to promote tourism in this beautiful Province so I intend to that right now.

the information of the minister, obviously, and all other members of the House, the road between Labrador West down through Gagnon to the Daniel Johnson Dam to Baie Comeau and out is open It has not been officially opened, I understand that will be next month, in June, by the Ouebec, Province of but Mr. Speaker, it is an excellent highway, you can average sixty miles an hour on most of it except for small stretches. We expect this Summer to see a drastic increase, a tremendous increase in tourists coming to our area.

One of the things I should tell hon. members is that the Daniel Johnson Dam, otherwise known as Manic 5, is about half way between Labrador West and Baie Comeau. The Manic 5 Dam now receives something in excess of 5,000 tourists per year, and anticipate that a number of them will continue the journey up to Labrador West and hopefully take advantage tremendous of the opportunities in Labrador West, both in fishing and hunting and, of course, in looking at some of the largest iron ore mines in the I do have one specific suggestion for the minister and that is that it is very difficult

to get tourists up there if they do not know what is available. I would ask him to now consider putting a tourist chalet in Baie Comeau, at the point where the main highway branches off to go up towards Labrador West, so that we may inform the 6 million people of the Province of Quebec, Ontario beyond them. οf attractions we have up there so that we can start bringing more and more tourists up there.

Speaker, I am proud to say that we look on tourism as the emerging industry in Labrador West and we are hoping, over the next number of years, to build up the infrastructure and the hotels and the other employment that we will get from thousands and thousands of tourists. Mr. Speaker, other important thing to realize is that they will be able to continue beyond Labrador West on the railway up to Esker and on to Happy Valley - Goose Bay, and start developing the tourist industry in that area as well.

Thank you very much, Mr. Speaker.

#### MR. SPEAKER:

Before recognizing the hon. the President of Treasury Board I would like to welcome to the visitor's gallery twelve Grade X students from Beaumont and Long Island Academy with their teacher, Colleen Collins.

# SOME HON. MEMBERS:

Hear, hear!

#### MR. SPEAKER:

I would like to welcome thirteen Grade VIII students with their teacher, Mr. Louis Budgell, from F.G. Bursey Memorial School, representing Central Newfoundland.

#### SOME HON. MEMBERS:

Hear, hear!

#### MR. SPEAKER:

I would like to welcome Richard Walker, an exchange cadet from St. Albans Combined Cadet Force, Hertfordshire, England, with Bill Martin, Craig Murphy and Brian Power of 2415 Gonzaga Cadets.

#### SOME HON. MEMBERS:

Hear, hear!

#### MR. SPEAKER:

The hon. the President of Treasury Board.

#### MR. WINDSOR:

Speaker, I am pleased to announce that government has made significant progress with the implementation of employment within the initiatives equity Public Service. The members of will recall that House government accepted the report on Task Force on Affirmative Action for Women in August of 1985. approving all of the report's forty-eight recommendations, either fully or principle. The major initiatives employment equity which have been accomplished since then are as follows:

(1)Crown corporations and agencies have been advised of for responsibilities their action affirmative implementing policies. (2) programmes and Government's Personnel Administration **Procedures** have amended to reflect the been recommendation on the Labrador allowance, maternity leave, family responsibility leave, and related areas. Collective agreements are they are being amended as My colleague, the (3) renewed. hon. Minister Responsible for the Status of Women. is monitoring appointments to boards to ensure

appropriate representation women. (4) Two career counsellor positions have been approved for Service Commission. Public (5) Changes have been recommended to the relevant pensions legislation to permit part-time participation of employees in pension plans. Sexual harassment clauses Collective being included in policy Agreements, and а on personal harassment is being developed. (7) My colleague, the Minister of Justice, has initiated a review of The Newfoundland Human Rights Code. (8) The Accelerated Programme Management Development (since renamed for Women Accelerated Career Development Programme for Women to reflect the diverse backgrounds and interests of the participants) is in its final stages. Individual career counselling, developmental assignments and training have been provided, and a final evaluation will be prepared by the Public Service Commission shortly. A Personnel Policy Division has been created within the Treasury Board Secretariat. Amongst other responsibilities it oversees the implementation of employment equity, and is developing policies on flextime and job sharing. (10)Each department an Affirmative Action appointed Co-ordinator. Initial training for this group has been provided and further sessions are planned for May. At that co-ordinators will be presented with а complete work analysis their departments. of The Day Care Centre located (11)the Confederation to adjacent Building Complex is scheduled to open in early June. (12)Dr. Keith Winter, Deputy Minister of Career Development and Advanced has been appointed to Studies, the chair Affirmative Action

Council. I have requested that the first meeting of the Council be scheduled for mid-May. Task Force on Affirmative Action was re-appointed to study public service related employment concerns of people with disabilities, and a report is being finalized. My colleague. the Minister Responsible for the Public Service Commission, and I expect to receive it shortly and we will be making an appropriate announcement about its recommendations in due course.

Although not an initiative under government's employment equity programme, Mr. Speaker, I am also pleased to note the increased number of highly qualified women among recent appointments to executive positions.

Mr. Speaker, these initiatives represent significant strides toward the creation of a Public Service which fairly and effectively manages all of its employees, and clearly demonstrate government's commitment to employment equity.

#### SOME HON. MEMBERS:

Hear, hear!

#### MR. LUSH:

Mr. Speaker.

#### MR. SPEAKER:

The hon. the member for Bonavista North.

#### MR. LUSH:

Mr. Speaker, I expect the first thing in order is to congratulate the people who were responsible in bringing pressure to bear on government to bring in these initiatives that we have here today, to force them to appreciate and to recognize and understand the discrimination that has been held against the female population of this Province. We want to them for commend the terrific organization that they have had, tremendous energy initiative that they have taken over the years to try and impress government the need upon equalizing job opportunity in this Province and equalizing chances to serve on government committees.

Having said that, we, on this side, are certainly pleased with the recommendations that have come forward today. But in this, as in other matters, we are concerned about the large issues which have not yet been addressed. particularly the item relating to the concern that the female population have for equal pay for work of equal value. We have insisted that the government pass this legislation, as they have done in other jurisdictions in Canada, to ensure that all people working in similar jobs receive the same pay.

#### MR. SIMMONS:

Teachers have it.

#### MR. LUSH:

Teachers have it, as the gentleman to my left says, and that is correct. That is what should be the general application to the entire population, as is happening in the teaching profession. There should be no disparity with pay with respect to people engaged in work of equal value. That is a major issue that the females of this Province have been looking for years. for We are disappointed that we see provision for that these in particular initiatives, but, with the other items, we are certainly pleased to see that government has moved at least on the thirteen items in this particular document today.

We would like to see day care expanded. We would like to see more money put into the day care centers, another item, another issue which these people have been fighting for so vigorously, Mr. Speaker.

# MR. SPEAKER:

Order, please!

The hon. member's time has elapsed.

# MR. FENWICK:

Mr. Speaker.

#### MR. SPEAKER:

The hon. the member for Menihek.

#### MR. FENWICK:

you, very much. Mr. It is usual to thank the Speaker. for а сору of the statement but since he did not give me a copy of the statement, I am not going to thank him. would appreciate it if he would in the future, actually.

Speaker, that is the most wishy-washy mealy-mouthed. statement I have ever heard in my There is no substantive evidence in that to indicate there has been any appreciable action. I refer to three programmes and, specifically. the day care The day care centre is centre. one which is a user pay concept totally, government is providing the premises, but everything else has to be paid for. So I do not great what that as a commitment to day care here.

The accelerated promotion, Mr. Speaker, is limited to one individual, one woman within each department, and that certainly gives us a top limit of a very

small number of women. But, Mr. Speaker, the real proof of pudding, so to speak, is what is the happening with Royal Newfoundland Constabulary. Before the accelerated programme was in place. before the Affirmative Action Programme was in place, we had fifteen or sixteen women in Newfoundland Royal the Constabulary. Mr. Speaker, they in an Affirmative Action Programme and now we are down to thirteen women in the Royal Constabulary. Newfoundland have not gone forward, we have gone backwards. Mr. Speaker, if that is what is happening in the one highly visible example of women into bringing non-traditional jobs, then the rest of it has to be just as big a bluff as that particular thing is.

Speaker, this is with Mr. minister who has been committed to improving the lot of women in employment for as long as she has involved in politics. Т been salute her for that, but it must be a terribly frustrating job to be in a Cabinet where obviously nobody is willing to put anything in terms of resources into backing up the brave words they are saying.

Mr. Speaker, this is just a sham! I am not surprised the minister did not give me a copy of this statement. He knows that a weak tissue of fabrication like that can easily be seen. Mr. Speaker, it is a shame what this government is doing in terms of affirmative action for women and we will continue to push them until they actually start living up to their obligations.

# MR. SPEAKER: Order, please!

#### Oral Questions

#### MR. LUSH:

Mr. Speaker.

#### MR. SPEAKER:

The hon. the member for Bonavista North.

#### MR. LUSH:

Mr. Speaker, I have a question for the Minister of Finance (Dr. Collins). My question to the Minister of Finance is: Can the minister indicate whether he or his officials in the Department of Finance had been involved in or consulted with re discussions relating to Mr. Wilson's so-called tax reform?

#### DR. COLLINS:

Mr. Speaker.

#### MR. SPEAKER:

The hon. the Minister of Finance.

#### DR. COLLINS:

Yes. I think I have stated that quite a number of times, but, yes, it is true.

#### MR. LUSH:

Mr. Speaker.

#### MR. SPEAKER:

The hon. the member for Bonavista North.

#### MR. LUSH:

A supplementary, Mr. Speaker. Is the minister aware that a Mr. Bill Buckwold, a member of the faculty of management with the University Winnipeg, Manitoba, and a Governor the Canadian of Tax Foundation from 1983 to 1986, in a recent article said, 'In fact, the so-called tax reform is the first step of an agenda that will result in the most massive tax increases in the history of North American politics.' He calls it 'a political fraud, created by the (present) federal government' -

#### MR. SPEAKER:

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

#### MR. LUSH:

Mr. Speaker, I started off with a question. I asked if the minister is aware, and then I had to give the appropriate information to ask what he was aware of.

Mr. Speaker, having quoted the statement, what is the Province's position on this national tax scheme that is going to be proposed by Mr. Wilson? What is the minister's position?

# DR. COLLINS:

Mr. Speaker.

#### MR. SPEAKER:

The hon. the Minister of Finance.

#### DR. COLLINS:

Mr. Speaker, today we have seen a tremendous advance. Usually the hon. member quotes my Budget Speech back to me, but now we are going onto other articles which he is quoting back to me now. So this is advanced.

Mr. Speaker, I cannot comment on what a particular individual credentials sound thinks. His pretty good. Of course, there are crackpots with good sounding credentials. I am not saying he is a crackpot, but I am not just necessarily excluding him from being a crackpot. I think that his remarks sound to me a little extreme. I think that tax reform is an issue that every worthwhile government has to grapple with, not just once in a while but it has to grapple with it throughout its mandate. I think the federal

government is to be complimented taking this nettle, this potentially damaging issue, and not being afraid to face up to They have looked at the matter now for a number of years, they put tremendous numbers of man-hours into it. We have had, I would say, at least three, if not more - four or five, possibly but certainly at least three items agenda at various on the federal/provincial Finance Ministers meetings this in regard. So they are looking at the subject extremely seriously. We have had some information. quite a bit of information as to the way their line of thought is but we are certainly looking forward to the White Paper that will be published on June 18.

I might add that Mr. Wilson was good enough to phone me yesterday to tell me, and he phoned other Finance Ministers, obviously, indicating that this was а statement he was going to make in the House, that this was his intention. He filled in a few details, but we will get fuller details on June 18.

#### MR. LUSH:

A final supplementary, Mr. Speaker.

#### MR. SPEAKER:

A final supplementary, the hon. member for Bonavista North.

#### MR. LUSH:

Mr. Speaker, would the minister not agree that the hidden agenda behind this so-called tax reform permit the federal to government and the provincial government to reduce their massive deficits on the backs of small businesses and the consumers throughout this country? Would the minister not agree that this is the main thrust of the tax reform, and he would he not admit that this proposed tax reform is nothing but a political scam?

#### MR. SPEAKER:

The hon. the Minister of Finance.

#### DR. COLLINS:

Mr. Speaker, I cannot admit that. That is like asking, 'Have you admitted kicking any small dogs recently. I cannot admit that. But I will say this, though, that the whole taxation system is built on the little man in the little business. Why? Because there are more of those in the population than anyone else.

I would say, if you tot it up, the tax intake for this government or any other government, you would find that the people in the middle — the middle class, the not too small a fellow, the not too rich a fellow, but the bulk in the middle there — are the ones who render most of the taxes. So there is nothing new about what the hon. member said. The only thing I would question with him is I would not put those motives to this exercise of tax reform.

#### MR. EFFORD:

Mr. Speaker.

#### MR. SPEAKER:

The hon. the member for Port de Grave.

### MR. EFFORD:

To the Minister of Finance. It is certainly evident that all Newfoundlanders are well aware of high taxes, especially now with this new tax reform coming down. Some experts in the tax reform state that Mr. Wilson's suggested tax reform could be inflationary because businesses —

#### MR. SPEAKER:

Order, please!

The hon. member is reading a statement.

#### MR. EFFORD:

That is my question.

#### SOME HON. MEMBERS:

That is a Rexogram.

#### MR. EFFORD:

Mr. Speaker, am I allowed to read my question?

#### MR. SPEAKER:

I understood the hon. member was reading a particular item. Would the hon. member please pose a question?

#### MR. EFFORD:

It has been stated very clearly that businesses are expected to pass along to the consumers the increased tax cost. Has the minister investigated this possibility of indirectly taxing the consumer, or is he just taking the assurance of his Tory buddies in Ottawa that Newfoundland's interests are not taken care of?

#### MR. SPEAKER:

The hon. the Minister of Finance.

#### DR. COLLINS:

Mr. Speaker, I think the hon. member is referring to the federal proposal. It is not a fixed thing yet, but it is a federal proposal that they will change their federal sales tax to either a business transfer tax or to a value added tax.

The federal sales tax is now a totally hidden tax, unlike our retail sales tax which is upfront. When you go in and buy something here, the vendor rings up the price and then he rings up the tax. So you can see exactly

how much retail sales tax you are paying. The federal sales tax is not displayed that way now, it is a totally hidden tax.

Now, obviously any change would be for the better, at least it would be no worse. I mean, even if they hide the BTT or the VAT it would be no worse than the present federal sales tax. But understanding is that that decision is not made yet and it may well be that whatever new tax they bring in will be more visible than the present FST, because the FST is now totally hidden.

#### MR. SIMMS:

Anyway it is their jurisdiction.

#### MR. EFFORD:

A supplementary, Mr. Speaker.

#### MR. SPEAKER:

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

#### MR. EFFORD:

Speaker, the greatest fear Mr. with hidden taxes is that government at any given time can those increase taxes without anybody being aware of it. Can he this ensure House that reforms will tax Wilson's not result -

#### MR. MATTHEWS:

How can he assure that? Do not be so foolish, boy!

#### MR. EFFORD:

Can he ensure, for the protection of Newfoundlanders - he has stand up for Newfoundlanders and has to fight Newfoundlanders - that it will not result in ever increasing burdens staggering tax on Newfoundland consumers, who are already paying the highest rate in North America?

#### MR. PATTERSON:

Did you fellows pay the tax on Clyde Wells when you bought him?

#### MR. SPEAKER:

The hon. the Minister of Finance.

#### DR. COLLINS:

Mr. Speaker, our position, consultation with the federal government, is that we have made the point that any tax reform should be neutral, hopefully it should be neutral. It should not more. We have to realistic and, because the federal government needs income just like we do, it likely will not be less. Now that is not to say that it will be neutral for every single taxpayer or probably every sector of the community, of society, but generally speaking we have pushed for neutrality in any change in the retail sales tax and other taxation changes.

#### MR. EFFORD:

A final supplementary, Mr. Speaker.

# MR. SPEAKER:

A final supplementary.

#### MR. EFFORD:

In the budget just brought down recently, the minister apparently stated that he was not increasing Was he at this corporate taxes. point aware that Mr. Wilson's hidden agenda was going to sock it to the people of this Province and that his political hide could be saved?

#### MR. SPEAKER:

The hon, the Minister of Finance.

#### DR. COLLINS:

Mr. Speaker, we cannot speak for the federal government, you know. We are extremely good on this side the House, this is an effective and enormously

productive administration, Peckford administration, but we cannot be responsible for whole country, so I cannot tell the federal Finance Minister how to run his shop. All I can say is that when we brought in no tax increases in the corporate sector in our recent budget, obviously we were applying that to our own jurisdiction, our is responsibility, that the provincial corporate tax, and that is our plan for the next year. When next year's budget comes around we will bring in whatever plan seems appropriate.

#### MR. TULK:

Mr. Speaker.

#### MR. SPEAKER:

The hon. the member for Fogo.

#### MR. TULK:

I have a question for the Minister of Finance and it is also along the -

# SOME HON. MEMBERS:

Oh, oh!

#### MR. SPEAKER:

Order, please!

#### MR. SIMMS:

Was that one written by Rex?

#### MR. TULK:

No, it is from Dave Gilbert's shop, sweeping the floors.

Mr. Speaker, I have a question for the Minister of Finance and it Wilson's concerns Mr. proposals again. Now the minister has indicated that there have been meetings on then. I would ask the minister has he, as the Provincial Minister of Finance, investigated the effect of the business transfer tax, which is a variation of the value added tax,

has he investigated in any way the effect that this might have if Mr. Wilson brings it in? And in the discussions has he raised question of the effect it might have on the purchase of medical or educational service in the Province? I would like to ask him will this mean added cost people in the Province who medical seeking attention and those trying to upgrade themselves educationally in a Province where people are already the highest taxed in the country.

#### MR. SPEAKER:

The hon. the Minister of Finance.

#### DR. COLLINS:

Mr. Speaker, we have not gone into any detailed analysis for the very good reason that we do not have all the details yet and no one has all the details. The details will come out in the White Paper on June 18. However, we have asked the federal government that when give us their final finalized assessment, their proposals, that they will give us as clear a breakdown and analysis as possible as to the effect on this Province in various parts of our provincial economy and, of course, other provinces have asked the same thing. This is a very subject. The complex federal government, I am sure, will be anxious to co-operate because they will want to have their proposals as acceptable as possible, they will be anxious to give us what information they can. But we have made it very clear that we not giving blanket any approval at this stage, we are just taking the information given to us, and we said we will keep our options opened, we will want to have detailed information both as to the effect on the finances of the provincial government and

the effect on the Newfoundland economy before we will make a final decision.

#### MR. TULK:

Mr. Speaker.

#### MR. SPEAKER:

A supplementary, the hon. the member for Fogo.

#### MR. TULK:

Mr. Speaker, we are hearing Mr. Wilson in Ottawa saying that the provincial ministers agree. correct when he says that provincial ministers agree? the provincial Minister of Finance saying that he agrees with the implementation of those reforms, particularly the business transfer tax. the value tax? Is he saying that he has agreed with the federal minister on the basis of what the federal minister says? He has just said that he has not done a detailed analysis of the effects of this the Province on Newfoundland. Is he saying that is agreeing with his political party in Ottawa on the basis of the information that they have provided him?

#### AN HON. MEMBER:

Oh, yes.

#### MR. TULK:

Just a minute. He will answer the question.

Or is he telling us that indeed he has not to this point, in spite of fact that he has discussions, done any analysis of what the effect, say, is going to be on the cost of medical and education services in the Province, a cost which will be passed to the people, the consumer of those particular services? he telling us that?

#### MR. SPEAKER:

The hon. the Minister of Finance.

#### DR. COLLINS:

Mr. Speaker, as I said, before we have not agreed to anything yet because the federal government has not finalized its position yet, and we will not know the federal government's finalized position until 18 June when the White Paper comes in, and that clearly will not be the last word anyway. That is going to be a matter for later discussions and later negotiations and so on, but we will not get a finalized view of their thinking until 18 June. So there has not been an opportunity to agree or disagree with anything as yet. Nothing has been finalized. They are going to give us as much information as they possibly can, we are going to ask for as much detailed information as we can, and then we will then be in a position ourselves to make up our own mind on things. We have a team of officials who have been in contact with this subject, as they have been in other aspects of the system where the taxation federal provincial and jurisdictions make contact with one another, we have that team of officials alerted to this whole subject, and they are getting what information is available to them at the earliest possible moment, and putting as much effort into it as they can conceivably do.

#### MR. TULK:

Mr. Speaker.

#### MR. SPEAKER:

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

#### MR. SIMMS:

Oh my, oh my!

#### MR. TULK:

Mr. Speaker, does the economist, who swept the floors of Dave Gilbert's garage, have problems?

Mr. Speaker, let me ask the Minister of Finance once again - he has a team of officials -

# SOME HON. MEMBERS:

Oh, oh!

#### MR. TULK:

Mr. Speaker, can you keep those people quiet?

Let me ask the minister this. He says he has a team of officials in place who are carrying on meetings. He says he has no detailed analysis. We have heard this Minister of Finance make all kinds of excuses for the state that this Province is. In his budget he did it and the Premier has done it.

Minister Let me ask the Finance, Mr. Speaker: Has Finance Minister of this Province now given up or is he about to give up the financial responsibilities of this Province in his efforts to make friends with the people in Ottawa that the Premier has been trying for months to cover up what he did for from November to February? Are giving up complete fiscal responsibility?

#### MR. SPEAKER:

The hon. the Minister of Finance.

#### DR. COLLINS:

Mr. Speaker, I think the record is clear. We do not give up anything from this Province to the federal government or anyone else. We assess things in the light of the good of the people of this Province, and that is the attitude we have always taken and we always will take.

On this tax matter - I will say it again - the federal government has a number of proposals, a number of options, a number of alternatives, been thev have talking about. We know some details of them. We do not know all the details. We do not know which direction they are particularly they could go in a going in, number of directions. We have them, asked whatever direction they come in, to make sure that us the fullest they give information possible, and we have them, when we have information, we will make up our own minds on the basis of our own assessment of all the facts and figures and all the implications down the road of these particular proposals, and we will keep our options, and any agreement or or whatever, disagreement open until that time.

#### MR. LONG:

Mr. Speaker.

#### MR. SPEAKER:

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

#### MR. LONG:

Thank you, Mr. Speaker. My question is for the Premier. Ιt has with the recent do resolution of the court case in which eight leaders of the Innu community and one Catholic priest were found guilty of violating game regulations. In light of this, and the turmoil that this has caused in the Innu community in Sheshatshit, in which we saw people camping outside the jail in Happy Valley last night, and in light of the fact that the Premier is the person in this government responsible for aboriginal affairs, and his own presence at the First Ministers' Conference speaking to the issues concerning Native people in this Province, is the Premier considering a personal intervention in the situation to resolve what is obviously a continuing conflict that has not been fully resolved by the courts, and is now more clearly a political situation?

#### MR. SPEAKER:

The hon. the Premier.

#### PREMIER PECKFORD:

Mr. Speaker, I thank the hon. member for his question. I think the policy of the Government of Newfoundland is very clear. think that all residents of the Province should be treated same under the law, that there are no exceptions, that all people of the Province, regardless of their ethnic origin, should have rights and privileges everybody else. Nobody special, everybody equal. We maintain that as a fundamental principle of our policy.

Therefore, I do not intend The government intervene. not intend to intervene. We want residents all of the Newfoundland and Labrador to abide by the laws of this Province. special status for anybody! Equality for all! So, therefore, do not intend to intervene because I do not believe that there should be special status for any group of people, especially as it relates to the wildlife this particular regulations in case, where we are trying to caribou protect a particular resource.

Secondly, may I just add, because I want to and I think it is important to, in this whole dispute with the Innu of Labrador, as I understand it, from all the information that we have at our

disposal. the Naskaupi Montagnais Association or the Innu people of Labrador to this date have not recognized the Government of Newfoundland and Labrador. Now, how can the Government of Newfoundland and Labrador, even if wanted to do something, something when the Innu people of Labrador have not recognized us as the legitimate government of the Province of Newfoundland Labrador?

We have written them, I have a about letter here before me, starting land claim negotiations SO on with the federal government, but the Innu people of Labrador will talk to the External Affairs Minister of Canada (Mr. Clark) and will not talk to the Government of Newfoundland as now and constituted presently democratically elected.

# SOME HON. MEMBERS:

# PREMIER PECKFORD: Mr. Speaker.

# MR. SPEAKER: Order, please!

#### PREMIER PECKFORD:

I have a real problem. Principle number one is that we take the position that all people in the Province should be treated The laws apply equally equally. to all, special status for none. Two, I have a greater problem because whilst I recognize the Innu of Labrador, one, and while I they do recognize that legitimate aboriginal rights, two, they do not recognize me.

#### MR. LONG:

A supplementary, Mr. Speaker.

#### MR. SPEAKER:

A supplementary, the hon. the member for St. John's East.

### MR. LONG:

Premier has contradicted The himself in a fundamental speaking out of both sides of his mouth, on the one hand saying they do not have special rights and then he recognizes their rights. Given that the Premier has said very unequivocally that they do not have special rights in this Province, is the Premier prepared to let this situation deteriorate in which a reciprocal situation of lack of recognition is going to encourage further law breaking and we are going to see more leaders of the aboriginal community be put in jail again in all likelihood? that what the Premier encouraging, further lawbreaking by a lack of recognition, lack of willingness to talk?

#### MR. SPEAKER:

The hon. the Premier.

#### PREMIER PECKFORD:

to the Innu of We have said Labrador, Mr. Speaker, and I have a letter in my hand, written by the Parliamentary Secretary to the Minister of Rural, Agricultural Northern Development and Warren), dated November 28, and we have made a statement three or four years ago that we recognize that they have aboriginal rights and that we should sit down with them and the federal government, because we all have a role to play here, to work out what will be the land claim settlement and ongoing rights of the Innu people. November 28, 1986, this letter was written by the member for Torngat Mountains (Mr. Warren) on behalf of the government.

Here is the letter: "I would like to thank you and your other representatives of the NMIA for the opportunity of meeting during my recent visit to Labrador. At that time you suggested a meeting with government officials concerning land claims before the upcoming Prime Minister's Constitutional Conference on Aboriginal Rights.

"As T understand, the NMIA submitted their statement claims to the Government of Canada in 1977. It was accepted as a valid claim based on aboriginal use and occupancy by the federal Minister of Indian and Northern Affairs in 1978 according to the criteria set forth in the 1973 federal land claims policy.

"As you are aware, in 1980 the Province agreed to enter into tripartite negotiations with the NMIA. However, it is my understanding that the NMIA" -

# SOME HON. MEMBERS: Oh, oh!

# MR. EFFORD:

I was not allowed to read a question.

#### PREMIER PECKFORD:

Mr. Speaker, this is germane.

# MR. SPEAKER: Order, please!

# PREMIER PECKFORD:

"- have not yet completed the background preparation which is requested by the Federal Government before they can proceed with their assessment of a particular claim.

To the best of my knowledge, the NMIA have not participated in the federal/provincial constitutional discussions on aboriginal rights. As you may recall in 1982, the

hon. G.R. Ottenheimer, the Minister of Justice, wrote the NMIA requesting their views on issues that were to be discussed on the upcoming First Ministers' Conference. The NMIA declined the invitation. Nevertheless the Province would still be pleased to hear their views at that time."

### MR. EFFORD:

Mr. Speaker.

# MR. SPEAKER:

Order, please!

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

#### MR. EFFORD:

Mr. Speaker, I stood up here this afternoon and I was reading a question of two lines in this House and I was told by the Speaker of the House that I was not allowed to read the question and here the speaker who is up now is reading a three page letter. Mr. Speaker, it is an abuse of the Question Period.

# MR. SPEAKER:

Order, please!

To that point of order, I think the point is well taken. I would like to mention, as it refers to questions here, our Standing Order 31 (d): "Oral Questions must not be pefaced by the reading of letters, telegrams, newspaper extracts preambles of anv or kind." I feel that that is exactly the same as far as I understand.

The hon. the Premier.

#### PREMIER PECKFORD:

Mr. Speaker, to finish the answer to the question I want to summarize, because this is a very important issue for the people of the Province and for the Innu, and I want to make the government's position quite clear. We have been prepared since 1980 to sit down and participate in discussions with the Innu and the federal government and they have not been prepared to do so.

#### MR. TULK:

On a point of order, Mr. Speaker.

#### MR. SPEAKER:

Order, please! A point of order, the hon. the member for Fogo.

#### MR. TULK:

Mr. Speaker, I detest doing this because we had partly an arrangement, at least, that points of order should be raised after Question Period, and I believe they should, but there is no way. The Speaker has, and rightly so, brought members to attention to keep their questions short in this House. Now, Mr. Speaker, what is sauce for the goose is sauce for the gander.

# SOME HON. MEMBERS:

Hear, hear!

#### MR. TULK:

Are we going to allow the Premier, who, even though he is the Premier is still a member of this House, to stand up and go on and on, ad nauseam, reading letters on an answer that should be kept short, and repeating himself over and over and over? If we are, Mr. Speaker, then Question Period, I submit to you, is going to be a sham. I know that is what the Premier wants.

#### PREMIER PECKFORD:

Mr. Speaker, to this point of order.

#### MR. SPEAKER:

To the point of order, the hon.

the Premier.

#### PREMIER PECKFORD:

Mr. Speaker, it is very strange and I think you should consider this in your ruling on the point of order that the hon. gentleman asking the question is not complaining.

#### MR. TULK:

Never mind the hon. gentleman complaining.

#### PREMIER PECKFORD:

It is not the hon. gentleman who asked the question, who wants an answer, who is complaining. happens to be another group who apparently are not interested in the answer. Mr. Speaker, let me submit this to you, because the preamble and the question that the member asked concerns complex constitutional issue, this whole issue of the Innu and their role in Labrador, as they consider themselves a distinct society. I think it is very important for me, as the Premier and Minister of Intergovernmental Affairs responsible for aboriginal rights, to make it quite clear to the hon. so that he understands member clearly where we are coming from on this particular issue. We are prepared to sit down with the Innu people. We have already sat down with the Inuit because they want to deal with us. And I was just trying to make that clear, Mr. Speaker.

# MR. SPEAKER:

Order, please!

I am prepared to rule on that point of order. The point of order raised -

Would the hon. member please sit down?

I am prepared to rule on that point of order raised by the hon. member for Fogo. There is no point of order.

#### MR. LONG:

A final supplementary, Mr. Speaker.

#### MR. SPEAKER:

A final supplementary, the hon. the member for St. John's East.

#### MR. LONG:

Thank you, Mr. Speaker.

I would hope, after the discussion on the point of order, that the Premier would be prepared to table the document that he was reading from, according to House tradition.

Mv final supplementary to Premier, Mr. Speaker, if he could be clear in reconciling what he said, is this government's to commitment recognizing aboriginal rights as it relates to all hunting? In other jurisdictions of the country aboriginal rights are equated fundamentally with hunting Now could rights. the Premier clarify what sees he in thic situation with the Innu people, their aboriginal rights with respect to hunting in this Province?

#### PREMIER PECKFORD:

Mr. Speaker.

# MR. SPEAKER:

The hon. the Premier.

#### PREMIER PECKFORD:

Mr. Speaker, I thank the hon. member for his question and I table the letter that I was reading from - if I can have a Page here to table it.

#### MR. TULK:

Good idea! That is what you

should have done in the first place.

#### PREMIER PECKFORD:

Well, I intended to and I did so. There is no problem, Mr. Speaker, to table it. There is the letter.

Now 1et address me the supplementary. I do not think the hon. member ever involved himself in negotiations on something, and if that something, involved ten or fifteen items, wanted to negotiate one without looking at the other nine or fourteen. In the issue of aboriginal rights, is it not fair for the Innu to sit down with us and the federal government and look at the whole issue hunting, trapping and fishing, and their claims to a large part of Labrador, mineral rights, hydro rights, which could block the hydro development on the Lower Churchill, or share with us in its development, and self-government, issue of and the offshore resources, which they claim, as do the Innuit. So we cannot take one piece of the puzzle of working out a negotiated land claim and say, "Yes, we will do this," and then on to the next Negotiations mean give and take on the ten or fifteen items under discussion. But we are prepared to sit down with the Innu tomorrow morning and start on all of the issues and come up with a package which is acceptable to them and us and everybody else.

#### SOME HON. MEMBERS:

Hear, hear!

#### MR. CALLAN:

Mr. Speaker.

#### MR. SPEAKER:

The hon. the member for Bellevue.

#### MR. CALLAN:

I think I am recognized.

Mr. Speaker, I have a question for the Minister of Finance. Mr. Speaker, in answering questions just now the Minister of Finance seemed to indicate that he has not done any studies.

Mr. Speaker, would the Minister of Forest Resources and Lands (Mr. Simms) contain himself?

My question is for the Minister of Finance. It is reported, as the Minister of Finance is aware, by real estate associations in this country that the business transfer tax could increase the cost of housing to consumers from \$1,000 up to \$1,200 per unit. Let me ask has minister, then, minister investigated the effect of such a move, this business transfer tax, on the construction industry in this Province? Is the minister not doing any of his own studies? Is the minister just taking the word of his counterpart, the Federal Minister of Finance, that everything is going to be hunky-dory with this?

#### MR. SPEAKER:

The hon. the Minister of Finance.

#### DR. COLLINS:

Mr. Speaker, the hon. member comes up with an expression, business transfer tax. Now what does he mean by that? I am not certain what he means by it. It is just expression. The federal government has used that expression. I am not certain what they mean by it because they have not spelled it all out. We must know what they have in mind in regard to whether it is a BTT and, if so, what sort of a BTT? How it is, is inclusive comprehensive, and so on and so forth? Are they going that way or are they going some other way, another variant on value added tax? They are now talking about a national type of tax.

So all these matters are still in the proposal stage. We have done some studies ourselves already on the general question, but we obviously cannot do it on the specific question because we do know what the specific proposal is yet. But I can assure the hon. member, once we get the details as to what the federal government specifically have mind, the way they specifically would like to go, we will then look into that in great detail, both on the basis of information they gave us and on the basis of the information we ourselves evolved, and then we will either accept, reject or we will give suggestions as adjustment to it that we feel would be more appropriate for the situation.

It is a premature question really to ask, have we done definitive studies? We have not had a definitive proposal, so you can hardly do definitive studies until you get a definitive proposal.

#### MR. CALLAN:

Mr. Speaker.

#### MR. SPEAKER:

This must be the final supplementary as the time is almost up.

A supplementary, the hon. the member for Bellevue.

#### MR. CALLAN:

One of the fears of Canadian commercial institutes, as the minister is aware, is that the interest earned on loans would be subject to this business transfer

tax as well. Let me ask the minister: What effect will that have on small businesses and the cost to the consumers on certain products, such as housing? Has the minister done any studies on this? If he has, will he table them? If he has not, will he do studies between now and June 18?

#### MR. SIMMS:

June 18 is no big deal. It is only a White Paper.

#### MR. SPEAKER:

The hon. the Minister of Finance.

#### DR. COLLINS:

Mr. Speaker, I think it is fair to say that when people think of a value added tax or a BTT, which is a variable of a value added tax, when they think of these types of taxes they tend to think of them as being all-inclusive. They tend to think that way. I think that is fair to say, and I think if you could look it up in the dictionary the dictionary is likely to say that that is that type of tax. But specifically, a specific tax, a specific BTT, is not necessarily like that. There can be all sorts of exemptions, there can be all sorts of variances, and so on and forth. The other thing to remember about it is that a person just does not pay BTT or VAT or RST or FST or whatever it is; he pays a range of taxes, and if you give him relief on one side you might have to pick up some of it, perhaps all of it for all I know, on the other side. But because pick up some increased taxation in one area does not mean that he is going to be worse off because you may have given him as much relief or greater relief in another aspect. So the bottom line for him might be that he is better off.

#### MR. SPEAKER:

The time for Oral Questions has elapsed.

# Presenting Reports by Standing and Special Committees

#### MR. OTTENHEIMER:

Mr. Speaker.

#### MR. SPEAKER:

The hon. the Government House Leader.

#### MR. OTTENHEIMER:

Speaker, if a parliamentary secretary can make a statement on behalf of a minister, I presume a minister can make one on behalf of parliamentary secretary. behalf of the Chairman of Resource Estimates Committee, the Committee reports to the House that said Committee has considered the matters to it referred and passed without amendment items of expenditure under the headings Energy; Fisheries: Mines: Development and Tourism; Rural, Agricultural and Northern Development; Forest Resources and Lands; and the Newfoundland and Labrador Housing Corporation.

#### SOME HON. MEMBERS:

Hear, hear!

#### MR. OTTENHEIMER:

The effect of that is that this will be identified on the Order Paper and then may be called as one of the three Concurrence Debates.

### Orders of the Day

On motion, a bill, "An Act To Amend The Summary Proceedings Act," read a third time, ordered passed and its title be as on the Order Paper. (Bill No. 1)

On motion, a bill, "An Act
Respecting Occupational
Therapists," read a third time,
ordered passed and its title be as
on the Order Paper. (Bill No. 8)

On motion, a bill, "An Act To Amend The Prisons Act And The Uniformed Services Pensions Act," read a third time, ordered passed and its title be as on the Order Paper. (Bill No. 3)

Continued debate on second reading of a bill, "An Act To Amend The Department Of Development And Tourism Act." (Bill No. 4)

#### MR. SPEAKER:

Debate was adjourned by the hon. member for the Strait of Belle Isle.

#### MR. CALLAN:

Mr. Speaker.

#### MR. SPEAKER:

The hon. the member for Bellevue.

#### MR. CALLAN:

Mr. Speaker, I want to have a few words on this tourism bill. My colleague for the Strait of Belle Isle has gone on a flight, or is going I think, and that is why he is not here.

Speaker, in a Ministerial Statement earlier in the afternoon Minister of Development, Responsible for Tourism, talked this prospects for about the Summer in tourism. I thought my colleague, the member for the Strait of Belle Isle, responded positively to that statement. He complimented the minister on his advertising in the States, and, of course, he talked about the need to do something with the Gulf, to have it treated as an extension of Trans-Canada Highway, others words, have it treated as were a if it road thereby suggesting, Mr. Speaker, that what should happen is that the fares on the Gulf ferry, the Caribou and any other Gulf ferries that may be there, not operational between Port aux Basques and North Sydney but between Argentia and North Sydney, be dropped so that it would be more attractive to tourists who are travelling from States or travelling Western Canada to the East Coast, instead of turning their vehicles around and heading back across the country, missing our fair isle, once they get to North Sydney, they would, perhaps, take the plunge.

Mr. Speaker, another suggestion I would make along these same lines of encouraging tourists to come to this Province, I suppose, this Speaker, everybody in Legislature has driven across Newfoundland, for sure, and I dare say that most members of this Legislature have driven from North Sydney, say, to P.E.I. or North Sydney across Nova Scotia. I went across last Summer myself. drove from Trinity Bay right up to Barrie, Ontario.

# MR. TOBIN: Did you?

#### MR. CALLAN:

Yes, and drove back, too.

# MR. TOBIN:

Whose car?

### MR. CALLAN:

In my father's car. I would not take my own. I could not afford it on my salary. I had to do it on his old age pension cheque, which was given to him by the

former Liberal administration in Ottawa. But anyway, that is another matter, Mr. Speaker, I do not want to get into that.

I want to talk about tourism. Mr. Speaker, I am sure that every member of this Legislature has either travelled by car or pick-up camper or the mucky mucks in the Cabinet, I suppose, they probably gone by Winnebago or some other more expensive rubber-tired machine mode of transport.

My colleague, the Minister Education (Mr. Hearn), if I can just tell a little joke here, Mr. Speaker, was with me at George's High, as was the member for Trinity - Bay de Verde (Mr. Reid) two or three weeks ago when they had an all-day session out there. During lunch at the Lion's Club building in New Harbour, Dildo, Mr. Speaker, we had a guest speaker there, and he talked about this Newfoundlander. It was not It could have been some other member of the Legislature. Perhaps it was the member for Humber West (Mr. Baird), I am not sure, but this Newfoundland was driving across Canada, driving up to Toronto actually, and was not very bright, so perhaps it was nobody in the Legislature. I do not know if it was or not.

#### DR. COLLINS:

I think I heard this one.

#### MR. CALLAN:

Well, it can be dragged out and a dozen punch lines thrown in there.

#### MR. BAIRD:

On a point of order, Mr. Speaker.

### MR. CALLAN:

Just after he got outside of New Brunswick, my point is this, Mr. Speaker, I am coming to it, he saw

a sign which read 'Clean Washrooms Ahead' and he cleaned twenty-six, Mr. Speaker, before he got to Montreal.

What is wrong with that? Did T have any humour at all. Speaker? He finally got Toronto, by the way and came upon a sign which said 'Toronto Left', so he said to his buddy, 'Well, if Toronto has left, we might as well turn around and go home again.' But my point is this, Mr. Speaker, as you travel from North Sydney, say, -

#### MR. BAIRD:

What is your point?

#### MR. CALLAN:

My point is this that the number of signs along the highway advertising everything in the world -

#### DR. COLLINS:

(Inaudible) San Jose.

#### MR. CALLAN:

That is San Josie in our Everything language. in the world, Mr. Speaker, is advertised on signs along the highway. in this Province, and I remember present Leader of Opposition, I say present because we had a past one, and we will have a future one in a month or so.

#### SOME HON. MEMBERS:

Oh, oh!

### MR. CALLAN:

In a month or so we will have a future one. But, Mr. Speaker, the present Leader of the Opposition, I remember him, Mr. Speaker, the Premier may think that the first time the Leader of the Opposition's private park out in South Brook was brought up was when he brought it up over a court

case. That is not true. It has been brought up before here. What is the name of his private park? I just forget it.

#### MR. BAIRD:

Kona.

#### MR. CALLAN:

Kona Beach. I remember the Leader of the Opposition standing here in debate talking about the fact that he was not permitted under the laws of this Province, Mr. Speaker, to erect a sign anywhere on the highway. If it was in Nova Scotia or New Brunswick or P.E.I., you would see a sign at Port aux Basques, excellent vacationing and swimming OL whatever at Kona It would talk about how far away Kona Beach is. And, of course, then perhaps kilometers thence there would be another sign advertising it. I am taking that one just But I can see anybody, example. for example, the management of the Mount Peyton Motel in Grand Falls would be advertising their motel facilities.

#### MR. BAIRD:

Rigolet North.

#### MR. CALLAN:

I am not talking about road signs, Mr. Speaker, I am talking about signs that tourists need to know that, okay, I am going to drive. o'clock in Ιt is four the afternoon now and the youngsters are saying, "Dad, what time are we going to have supper?" Dad sees a sign up front and he says, "Okay, I just saw on a sign there that there is a private park up ahead, my friend who visited Newfoundland last year tells me this is a nice park, a good park and it is good for children. That is where we will spend the night, and it is 128 kilometers ahead or 150 kilometers ahead which, of course, translated into time would be a couple of hours drive." So, he says, "We will be ready to camp in a couple of hours."

Why is it, Mr. Speaker, that we do not have any more road signs along the highway? God knows there is lots of room for them and God knows it would be а bit company, it would be something for somebody to do. Imagine, in Nova Scotia you are practically driving town or little through a a settlement all the time but in Newfoundland from the time you leave Port aux Basques until you get to - say where? - Corner Brook, there is nothing, only fog sometimes, but very little else. not have the road signs there? It would give people something to do to keep them awake. At the same time, the people can be planning what they will be doing the next day once they get in Gander say or go out to Benton.

#### AN HON. MEMBER:

Bellevue Beach (inaudible).

#### MR. CALLAN:

Bellevue Beach. I can stand here for an hour, Mr. Speaker. I am glad that the minister mentioned Bellevue Beach.

Mr. Speaker, last Summer Bellevue Beach celebrated an anniversary. Now, how many Cabinet ministers were there do you think? I was there when they had the fire works that night. Now, who put the park If you want to go asking there? let put some questions, me interrogative statements to you. Who put the park there? Perhaps that is why it was low key. Bellevue Beach Park was the very first provincial park in all of Newfoundland. I am not sure how

many years ago, I think it was twenty-five. I will tell you that Bellevue Beach Park was the first provincial park in this Province. If I am wrong, I will be corrected. I stand to be corrected.

### MR. J. CARTER: You are wrong.

#### MR. CALLAN:

You will do it tomorrow when you have time to check?

Mr. Speaker, the minister is trying to be helpful, I am sure, I am sure he is not heckling me.

Mr. Speaker, Bellevue Beach Provincial Park, I am not sure how many years it celebrated last year - it must have been twenty-five?

#### AN HON. MEMBER:

It was twenty-five.

#### MR. CALLAN:

It was twenty-five. I know this, Mr. Speaker, about Bellevue Beach Park that in the Summer of 1964, which is - what? - twenty-three years ago, it will be twenty-three this Summer, I worked as a student on Bellevue Beach Park. My second daughter, oldest who was university student this year, worked on Bellevue Beach Park last Summer after she graduated from high school.

# SOME HON. MEMBERS:

Oh, oh!

#### MR. CALLAN:

Now, Mr Speaker, I am glad that the minister asked the question.

Mr. Speaker, I can tell you that when I worked on Bellevue Beach Park twenty-two and a half years ago, as a university student, there were people around my home town who were saying that I had taken a job from their son or daughter, that their son or daughter should be working on Bellevue Beach Park, not me.

Now, I do not know how I managed to take the job. I knew nothing about politicians. As far coming to see my member and trying to get a job on Bellevue Beach Park, I did not even know what it all about. had was Т involvement and no interest politics until I ran in 1976, but I remember voting for the hon. When he ran as a James Reid. candidate in 1972 in Trinity South district. I voted for gentleman, but, Mr. Speaker, twenty-two and a half years ago when I worked on Bellevue Beach Park as a student, the people around my home town were saying that I had taken a job from their son or daughter.

You know something, Mr. Speaker, thinks have not changed much in twenty-two and a half years because when my daughter worked their last Summer people around my home down were saying the same thing, that my daughter took a job from somebody else, from their son or daughter. What foolishness!

#### MR. TOBIN:

She has as much right as anybody.

#### MR. CALLAN:

Well, I am glad that the member on the government benches agrees with me and all members on the government benches agree with me that my daughter has just as much right to a job, to go to work in the Summer as anyone else. Now, I hate saying this.

#### MR. TOBIN:

No. 37

How did she get the job?

#### MR. CALLAN:

I will tell you how she got the job. Some people think that I got the job for her. Nothing can be further from the truth. It is just as easy for someone to say to me that Uriah Strickland got the job for me twenty-two and a half years ago.

AN HON. MEMBER: (Inaudible).

MR. CALLAN:
No, he did not.

AN HON. MEMBER: Sure he did.

MR. CALLAN:
No, he did not.

I was a university student at Memorial. I put in an application with Provincial Parks and I received a phone call or a letter telling me that I was accepted. But as far as lobbying with my member, I did not know the name of the game.

MR. J. CARTER: He knew you were Liberal.

#### MR. CALLAN:

Well, if I had any sense back in 1964, naturally I was a Liberal, naturally, whether I was young or old.

Now, Mr. Speaker, let me make this point and I am sorry for being waylaid really, sidetracked. I did not want to get into this. But my daughter last Summer, how did she get the job? The Minister of Culture, Recreation and Youth (Mr. Matthews) gave her the job. Some people think that I got the job for her. Now, I do not want to say this but I have to say it. I know what I am doing. I am attributing motives to the

minister but there is no question in my mind and I am sure there is no question in his, even though he will not stand and admit it, the reason that my daughter was given the job, not by me because I had no authority to give her anything, at least that job. I could have given her ten or twenty dollars when I got home. But the reason that the minister gave my daughter the job, as the minister will remember. as Ι do, we involved at that time in the House Assembly over terrible arguments in the Legislature about patronage jobs. The Minister of Public Works (Mr. Young), who just poked his head in the door, of the culprit. course was admitted on province-wide television that he favours his friends. So, the reason that my daughter was given that job on Bellevue Beach Park last Summer by Minister of Culture. Recreation and Youth was to shut me up.

Now, I am attributing motives.

SOME HON. MEMBERS:

MR. TOBIN:
That is not true.

#### MR. CALLAN:

The minister can stand and tell it the way it happened and he will tell you, Sir, unless he wants to lie about it, and I do not think the minister is going to - the minister will not lie about it, I will tell you -

SOME HON. MEMBERS: Oh, oh!

#### MR. CALLAN:

Mr. Speaker, I have stood in this Legislature before and I have said things that went on when the

present member for Trinity-Bay de Verde (Mr. Reid), was the member for Trinity South, which used to right around and take Sunnyside. I have talked about the commitments to paved roads which were not fulfilled in 1974 and 1975; water and sewer Sunnyside which was approved and then withdrawn and I challenge the present member for Trinity-Bay de Verde, if I am telling it wrong, stand up and correct me. I say to the member for Trinity-Bay de Verde that if he has a story to tell about how my daughter got that job on Bellevue Beach Park last Summer, I wish he would tell because Ι plead complete innocence and ignorance.

The only reason that I can think of why my daughter got that job is because the Minister of Culture, Recreation and Youth gave her the job because then I would not be one of the Opposition members who could stand in my place and accuse government of patronage because, right away, it would be chucked back to me. He would say, "What do you mean? We -just gave your daughter a job so how can you accuse us of hiring all Tories when your own daughter was hired?"

Now, I mean the minister just came into the Legislature, he can stand and respond. I am explaining, Mr. Speaker, for the benefit of the minister now -

#### MR. MATTHEWS: Say it again.

#### MR. CALLAN:

- he probably will not hear me because the member for Burin-Placentia West (Mr. Tobin) is going up there to probably tell him some garbage to throw back at me.

#### MR. TOBIN:

I will tell him what to throw back at you.

#### MR. CALLAN:

Throw back the truth. If I am leaving out the truth or if I am misconstruing what happened —

#### MR. TOBIN:

He can give you ten names and you said, "My daughter (inaudible).

#### MR. REID:

Sure the minister is responsible for every one of these jobs going out.

#### MR. CALLAN:

I know that the minister is responsible.

#### MR. REID:

(Inaudible) recommended to the minister that your daughter be hired.

#### MR. CALLAN:

I know that. I am saying that the minister gave my daughter the job. I am saying that the minister gave my daughter the job. But, why did he give my daughter the job?

#### MR. TOBIN:

You just said why.

#### MR. CALLAN:

I am saying, Mr. Speaker, the reason he gave my daughter the job is because that particular week in the legislature, Question Period -

#### MR. MATTHEWS:

That is unfair.

### MR. CALLAN:

- was abounding with questions, especially to the Minister of Public Works and Services (Mr. Young), about patronage appointments. I say to the minister that he could give my daughter a job -

#### MR. TOBIN:

You say he gave your daughter a job to shut you up.

#### MR. CALLAN:

Mr. Speaker, how can I get a chance to stand here and tell my side of the story? The member for Trinity - Bay de Verde (Mr. Reid) can stand in his place, as I am doing now, after I sit down he can stand in his place and he can give an half hour speech or whatever the time is he can do it.

### MR. SPEAKER: Order, please!

#### MR. REID:

I can get up there for a month -

# MR. SPEAKER: Order, please!

# SOME HON. MEMBERS: Oh, oh!

### MR. FLIGHT:

You are not allowed.

#### MR. CALLAN:

I am not talking trash. I am talking facts.

#### MR. REID:

You very seldom do.

#### MR. CALLAN:

I am talking facts, I say to the member. The member does not stand on his feet often. As a matter of fact, I do know -

#### MR. REID:

It is a job to knock him off his feet though.

#### MR. CALLAN:

Mr. Speaker, the member is in fighting order and what it is

about, I do not know. The truth hurts, I suppose, that is the only think I can think of. nothing that I am saying about him because I have not mentioned his name. All I have said to him is if he wants to stand and tell another story, he can do it and I will be glad to hear it. Perhaps the Minister of Culture. Recreation Youth (Mr. and Matthews), who just came in the legislature, would like to stand and rebut what I have been I do not think I have saying. said anything wrong.

# MR. MATTHEWS:

Yes, I will.

#### MR. TOBIN:

By leave? By leave?

#### MR. CALLAN:

I will finish in just a second. I was throwing out suggestions. Let me end on this, Mr. Speaker, because I have to go out to St. George's High in New Harbour, Dildo, for a cadet inspection, and I have to leave early.

Is the member for Trinity - Bay de Verde (Mr. Reid) is going out to St. George's with me for the cadet inspection? I think it would be nice for us to be seen together out there. The cadet core covers both our districts. As a matter of fact, the Commanding Officer of that cadet core lives in Heart's Delight. I called him two days ago in Heart's Delight and told him I had the invitation but did not have time to reply by mail, so I was just calling to tell him that I would be in St. George's High on May 7, which is today, to participate in the annual Navy cadet inspection. Perhaps I will see the member for Trinity - Bay de Verde out there.

Anyway, I was saying the of Development and Minister Tourism that if that law has not been changed, 1aw the which permits private entrepreneurs to put signs along the highway advertising that thev have tourist facility up ahead, whether it he a bed and breakfast facility, whether it be a private park like Kona Beach, whether it be a hotel or whatever, Mr. Speaker, it is terrible. I cannot sit down without saying this. historic sites that we have in this Province which are not developed to half or quarter of their potential is terrible. was talking about the Trans-Canada Highway and tourist coming here by road and ferry.

Mr. Speaker, what about tourists coming in here by plane loads? They go from Newfoundland with a population of 500,000 or 600,000 people, they go to Florida and Jamacia by the plane load, why not tourists in from come Florida, New York, Boston, Alberta or British Columbia by the plane load? Perhaps because, Speaker, private entrepreneurs are scared to take the plunge because they might get themselves in too deep and it might not work out and they may lose lots of money, why does the government not spearhead some kind of experiment? Perhaps should be tried again and perhaps it should be tried in a different way, where the proper advertising is done in the proper places on the mainland, not just to bring people in here and once they get off the plane at Torbay Airport to go their merry way, but to have it laid on.

"Here is your limousine taxi service that will take you to the hotel that you are supposed to stay in overnight, and at eight o'clock tomorrow morning everybody will board the bus because we are out to Port de district or we are going out to Bellevue Beach Park and there will be a longliner there," which is chartered by that entrepreneur. private it be whether government, "and we will go out cod fishing. Take along your oil skins because it could be foggy and it could be cold. Bring along a warm sweater." There are so many things, I think, Mr. Speaker -

#### MR. TOBIN:

You are shocking. You are disgraceful.

#### MR. MATTHEWS:

How much longer does he have, Mr. Speaker?

#### MR. CALLAN:

Mr. Speaker, you talk about the pot calling the kettle smut. I am disgraceful! That fat fellow, who sits behind the Premier, telling me that I am disgraceful, and I do not even know what he is talking about. Why does he not go and take his own seat, Mr. Speaker, and after I conclude, stand up and speak for half an hour.

Anyway, Mr. Speaker, I am sure that the Minister of Tourism and Development knows what getting at. These are the sorts of things that we will do. they are not done before we form government, then, the next course, these are the sorts things we will be doing when we occupy our places on the opposite side of the Legislature. When is the election coming? Ι hear rumors that the Premier is going to pull the plug in September. Is that correct?

#### MR. TOBIN:

June.

#### MR. CALLAN:

Well, I heard it was going to be the first week in May, the election to be held before the last of May. I think it is a bit late for that.

I was in Little Heart's East, down in Southwest Arm, last Saturday another annual cadet inspection and I was talking to several Tories there who told me that there will be an announcement by the Minister made Transportation (Mr. Dawe) about some road work for Hillview, Hatchet Cove. St. Jones Within, and also told me that there will not be an election in May now, but the election will be in September.

# MR. SIMMS:

June 26.

#### MR. CALLAN:

That is polling day, is it, or is that the writ?

# AN HON. MEMBER:

Polling day.

#### MR. CALLAN:

That is polling day, June 26. Anyway, whenever it comes, Mr. Speaker, we will be ready. We will be ready and the Premier's popularity dropped from 61 per cent of the popular vote —

#### MR. TULK:

A point of order, Mr. Speaker.

#### MR. SPEAKER:

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

#### MR. TULK:

I am sitting here reading something and I am, at the same time, trying to listen to the member for Bellevue. What I hear coming from that side of the House, you would have to dead not

to hear the noise. I cannot hear the hon. gentleman. So I would ask Your Honour if he would pay some attention to them, and if they cannot behave themselves in here, flick them out.

#### MR. SPEAKER:

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

The hon. the member for Bellevue.

#### MR. CALLAN:

Mr. Speaker, in conclusion, I say to the minister that whenever the election comes, we are ready. the sort of programmes that we have talked about over the last couple of years are implemented, whether it relates to Tourism or Fisheries or other primary or secondary or any other kind of industry in this Province, then, of course, we, in Liberal Party. who will occupying the other side of the House, will be glad to bring about these policies and let a ray of light shine on this Province, make the people happy and smiling once again, something that they have not done, Mr. Speaker, for about fifteen years now.

Thank you, Mr. Speaker.

#### MR. MATTHEWS:

A point of order, Mr. Speaker.

#### MR. SPEAKER:

A point of order, the hon. the Minister of Culture, Recreation and Youth.

#### MR. MATTHEWS:

Thank you, Mr. Speaker.

I feel compelled to rise on a point of order, because of remarks made by the hon. member for Bellevue, as it pertains to his daughter getting a job in a park

in his district. I think he indicated in his statement that the only reason his daughter was given employment was to shut him up. So I want to go on record in the House of Assembly, as, first of all, saying, being the type of person that I am, generous, honest and compassionate, that I feel that because any person in this Province, because they are daughter or a son of an MHA or a politician, should be given equal opportunity for employment. whether it be in parks or in the fish plants or anywhere.

The hon. member approached me on two or three occasions outside of this Chamber and made representation on behalf of his daughter.

#### MR. CALLAN:

And other people.

#### MR. MATTHEWS:

Consequently, there being only one position in the park at that particular time, his daughter did get the job. I could not see why his daughter should be penalized because she happens to be his daughter any more than mine should be penalized because she is my Of course, being daughter. politics, sometimes people do not at it that way because somehow they think that members of this House have barrels of money and consequently their children or their brothers or their sisters should not get jobs and so on. just want to go on record as saying that and to clarify for the House that certainly the reason, Mr. Speaker, was not to shut the hon. member up, that certainly was not my intention. I just figured that -

#### MR. TOBIN:

He lobbied for it.

#### MR. MATTHEWS:

I mean, hon. members make representations for different people in their districts, whether they be students or adults and so on.

#### MR. TOBIN:

Did he make representations for his daughter?

#### MR. MATTHEWS:

Yes, he sure did. Just to be fair Speaker, it, Mr. daughter was given a job along with I guess a couple of our other students in the Province. I just record wanted to on go clarifying that that it certainly was not any motive on my part to shut the hon. member up or any other hon. member.

#### MR. CALLAN:

Mr. Speaker, to that point of order.

#### MR. SPEAKER:

Further to that point of order, the hon. the member for Bellevue.

#### MR. CALLAN:

Very briefly, Mr. Speaker. minister will admit he nodded his head as I said it while he was speaking that I mentioned other when Ι mentioned names The daughter's name. minister will also remember, as I remember, and anybody who wants to check the record will remember, that there was only one position open on that park, it was vacated by a female from the year before and obviously female, you know, we talked about it here in the Legislature today, with equal representation by males and females in parks, that is the why my daughter got among other because she was replacing a girl who had finished there the year before.

#### MR. MATTHEWS:

Further to that point of order, Mr. Speaker.

#### MR. SPEAKER:

Further to that point of order, the hon. the Minister of Culture, Recreation and Youth.

#### MR. MATTHEWS:

To be very fair about it, I understand that as a consequence of his daughter finding employment in the respective park the hon. gentleman did get some political flack and fall out as a result. I really think that what he is doing now is being a little unfair to me as minister because really he is trying to turn the whole thing around now and say that the only reason I put his daughter in the park was to shut him up. I think that is really unfair.

#### MR. SPEAKER:

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

If the hon. minister speaks now he will close the debate.

#### MR. BARRETT:

Mr. Speaker.

#### MR. SPEAKER:

The hon. the Minister of Development and Tourism.

#### MR. BARRETT:

Thank you very much, Mr. Speaker.

Although this amendment to adjust the organization of my department was meant to be a housekeeping issue, obviously from the tenor of questions and observations -

#### MR. TULK:

A point of order, Mr. Speaker.

#### MR. SPEAKER:

Order, please!

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

#### MR. TULK:

Mr. Speaker, the hon. gentleman, I am sure, and I am sure the Speaker did not see the member for Port de Grave (Mr. Efford), but was standing understand he speak in the debate when the minister rose. Of course if the minister is allowed to continue to speak, that closes the debate. It has to be dealt with and perhaps the easiest way to deal with it is for the Minister of Development and Tourism to say yes, he will, by leave, allow the member for Port de Grave to speak.

### MR. BARRETT:

To that point of order, Mr. Speaker.

#### MR. SPEAKER:

The hon. the Minister of Development and Tourism.

### MR. BARRETT:

I would be more than pleased to grant leave to the hon. gentleman.

#### MR. TULK:

We will, of course, let him come back.

#### MR. SPEAKER:

To that point of order, the hon. member for Fogo is correct and leave is granted to the member for Port de Grave.

#### MR. EFFORD:

Thank you.

I am beginning to wonder today if I am being discriminated against. Every time I stand up somebody is sitting me down.

I want an opportunity to speak to

particular bill because I think it is a very important I think tourism, next to fishery. has one of the greatest potentials of our future resources and a way in which Newfoundland is going to increase its job potential and increase the revenue that is so badly needed in Province. Tourism department that I do not think anybody or any political party is going take very lightly. I made a reference a while ago speaking to a group out in Carbonear, and we came to an agreement that Tourism like a time bomb ready to explode, but it is only going to explode into the area that needed if the fuse is lit. not think the present government itself is taking a serious enough look at lighting that fuse in tourism development in this Province because, if it was, would not be as far behind the other provinces and the rest of the world as we are.

Tourism in this Province is absolutely amazing if you just sit down and bring together a few ideas of how it could be developed and what it needs to be.

The minister is right in asking for more assistants in his department, because right now the Department of Development Tourism is two departments in one and possibly there is a need for more people in the Tourism Division. While there probably is that need, there is a greater need for government tο stop concentrating on spending money within the administration itself and start encouraging the private sector - this is what I think has bе done for tourism in Newfoundland to put their investments their and business ideas into the development of

We do not expect the tourism. tens of thousands of people encourage to come into the Province, especially because of our weather. With the Summers we have, we are not going to get very So there has to be many people. greater encouragement given them.

Some of the members on this side, and I am sure some of the members talk that side. about potential of making the Gulf an extension of the Trans-Canada highway. That is an important thing. That sort of thing would encourage people to come here. But once people come to Province, they have to something to do, they have to have something to see.

If you get aboard a plane or a car or any vehicle and you go to PEI or you go to any other province in Canada, or you go outside Canada, you go to the United States, when you visit a particular area there are lots of things for, number one, your children to do, number two, for teenagers to do, number three, for parents to do. An example, PEI: There are all kinds of restaurants, all kinds of motels. and this season. particular, this time of year, there is lobster and lobster boils, if you enjoy the fish, and all kinds of playground areas where you can take your children All this has been at any time. put there by the private sector, encouraged by the government, and they are making a profit.

Here we are with one of the greatest natural attractions. Around our shores are beautiful little harbours, beautiful little coastline communities which right now have absolutely no potential for creating jobs, and all need do is encourage the private sector to

move in and open them up as tourist attractions.

Mr. Speaker, while I am on my feet I have to make a complaint. It is very, very difficult to speak when there is nobody listening, but when we have fifteen or twenty people sitting around, all huddled into little groups, it is even more difficult.

Mr. Speaker, I am going to sit down until somebody calls order.

# MR. SPEAKER: Order, please!

I cannot order the hon. members to listen, but I can order them to be quiet.

#### MR. EFFORD:

Thank you, Mr. Speaker. Go out to your common room, if you are not interested in what is good for the future of Newfoundland, and chat out there.

Now, Mr. Speaker, to get back to what we were talking about. I do not want to keep this debate going too long because I know the minister wants the opportunity to clue it up. But we have here, as I was saying, in the small communities on this Island, opportunities -

SOME HON. MEMBERS:
Oh, oh!

### MR. SPEAKER: Order, please!

Could we have silence?

#### MR. EFFORD:

Absolutely unbelievable! School children. Tell the class to sit down.

Mr. Speaker, I just want to touch

on a couple of other points. That is one of the areas I touched on, utilizing communities where there is no potential right now for jobs and people are complaining about the ten weeks syndrome, and the Services development Social areas. We could take some of that money that is being put into those programmes and use it to develop tourism in certain communities, and we could encourage the private sector to get involved in those particular areas, as well. People those communities would be employed running games, boat rides and all the other things that appeal to tourists instead working on those ten week jobs. tourist season probably start in Newfoundland as early as in other provinces, but it could start in June and possibly go on until August or September. We do have fairly good weather during that particular time and people could avail of boat rides. It has been proven even in St. John's, out in Petty Harbour, that this is very profitable venture. more tourists. bringing in business in our motels and hotels and restaurants would our increase. Then there are the gas the garages and the stations, grocery stores. Everybody would enjoy a better economy and a bigger turnover in their particular business. When that happens, then more people hired in the private sector.

This is an area to which the present administration and the Department of Tourism has to pay a lot more attention, to creating permanent jobs. When I spoke here yesterday, I spoke on a different bill and I spoke about the fishery and the potential that has for creating long term jobs. The same goes for the Department of Tourism.

We encourage people to come here, and that is fine. There are boat rides and cod jigging and so on for the adults, but we have to also look at the something for children. People coming here from Ontario. Toronto or wherever. whether they are former Newfoundlanders coming home for a visit or people from that province coming to visit this Province, most of them bring their children. Again refeerring to our weather, you do not bring children here to get suntans. But there has to be a reason for people to bring their children here, so we have to look at areas around the Coastline, not only our parks. Most people who come back to visit the Province do not stay in the parks, most of them stay with their families or their friends or in areas around the Coast where they can see exactly what we are doing around the Coast. That is what visitors like to see and we have to do something to encourage those people to stay longer.

In my district we get a tremendous number of tourists who visit the area, but they only visit for a short time - one day, probably two days, and then they are gone. you going to do to What are encourage them to spend their dollars? Because that is what we want. When tourists come to the Province, we want to get the most money from them we possibly can. That is government's idea, that is private business' idea, that is everybody's idea. You need those dollars to boost up the economy and to boost the tax base in this Province.

So we have to give them an incentive, we have to give them reasons to stay in the area for a period of time. When I go down South for a vacation, I stay for

two weeks and I pretty well stay in the one area. When people come out to the Port de Grave district, they stay for one day and they are gone. So that is an government has to look at. potential for tourism is there. am sure our minister recognizes this and he is doing an excellent job in starting it off, but more attention has to be paid encouraging the private sector. the businessman, to invest more of his dollars in tourism than he has in the past. The private sector is where the greatest number of ideas and dollars have to come from.

Mr. Speaker, I do not want to go on too much longer with this but there are a couple of areas there that I would like to hear the minister comment on in his closing Tourism, as we all know remarks. and all agree, has the we potential, if developed in the right way, to do much for our future. We just cannot imagine the kinds of dollars it could bring into the Province. I would like to hear the minister, in his closing statement. comment things we could do to encourage the private sector, moreso than the government, to actually go out and say, 'Look, here is \$1,000, build a playground. Here \$5,000, put a boat in this particular area.'

Thank you, Mr. Speaker.

### MR. BARRETT:

Mr. Speaker.

#### MR. SPEAKER:

If the minister speaks now he closes the debate.

#### MR. BARRETT:

Thank you.

I started to say in the aborted attempt to close the debate, that this is basically a housekeeping piece of legislation, an amendment the act to accommodate an increasing demand for the highest level of professional capability within the department, because the department is a growth centre for government, to introduce at this point in time something that was asking for an accommodation for Assistant Deputy Minister because of a reorganization that today's situation accommodates within the department structure.

It made good common-sense to try little bit and be a forward-thinking in how we treat and address this kind of situation in legislation, and to do that we used what would normally be a common-sense approach to things if one were in the private sector hopefully we can learn something within government - that we have the authority, not me personally consultation with collegues, to do the adjustments within the structure, within the administration without every time having to run back to the House of Assembly for accommodation. mean, the House of Assembly is not sitting 365 days a year. You have to be responsive, you have to be timely, and the only way you can accommodate that is to have some flexibility within the structuring of the legislation under which the department acts.

There is nothing subversive about any of this. The accommodation civil servants' for senior positions within the department as have been suggested alluded to by some hon. members opposite as being some kind of a gives out to plum that one accommodate some gratuitous accommodation for political reasons, is certainly anything but the truth and I would defy any member opposite to make that kind of an accusation or comment concerning any senior person in my department.

would like to review briefly the wide-ranging form that this particular debate took during the past number of days. Leader of the Opposition, member for Fortune - Hermitage (Mr. Simmons) started off, and I not know how he got equation or the relevancy, but a good part of the tenor of his comments dealt with Cabinet size. Now, where that fit in relation to what we were trying to do with the of department restructuring the from administration an perspective, Ι cannot grasp. I have been lost somewhere in the shuffle.

He got on to talking about some of the arrangements that have been between government and Mr. Peter Now, what Lougheed from Alberta. the relevancy of that was to my the attempts department and and restructure reorganize accommodate an assistant deputy minister or two left me wondering a little bit, as well. He talked Green Papers and about Papers, neither one of which we were instrumental in introducing.

One of the things I would suggest that might have some relevancy is that there was a comment that maybe there should be particular for this ministers department because of wide-ranging responsibility. really, there was very little of substance. I think the only one, of all the people who spoke in the debate, who spoke with any kind of eloquence or awareness of what was happening within the department was my colleague, the Minister of Finance (Dr. Collins), who stood up and, from the words of wisdom with which he so elogently expressed himself, had reasonalby good appreciation of the importance and the thrust of this department.

The member for Eagle River (Mr. Hiscock) commented about the size of the public service. Now, that is a rather wide generalization, but when you look in isolation to specific department of government, or the structuring of specific department government for very good common sense reasons, the relevancy of that has some concerns. He spent some time on the development of historic sites, and I think he probably had some political get out. message he wanted to because the site development and restoration at Red Bay obviously of great concern to the member. He mentioned Cupids and Brigus and a few other places around the Province. Unfortunately, OL fortunately, whichever one way to take it, this department of government has no responsibility OL no funding mechanism to achieve any restoration of historic sites. There is a department of government that has that function, Recreation and The relevancy to this department the employees in it, again have been lost.

The member for St. Barbe (Mr. Furey) started talking about the extension of the bureaucracy, but got lost and swallowed up in the irrelevancy οf his comments because he started talking about hospitals and schools; he started talking about the fish plant in Port au Choix and the water supply system to it and, again, the

relevancy of that to my department was certainly not there.

He talked about the overseas missions and the participation of this department in overseas missions. If there is anything that this department of government has done that should be held up as a model to this and any other government. it is its private encouragement of the sector to become very much aware and keyed into the opportunities that are going to be presenting themselves as a result of offshore oil exploration If at any time in our production. history we need to know more and much as we can about opportunity development, investment opportunities, identification of people with the with the ability expertise. to transfer technology for benefit of this Province, the people of this Province and the employment potential this of Province, it would certainly be one of the landmark models for anybody's examination, this trade mission concept that this department has initiated over the past two years into the North Sea sector.

As a matter of fact, next week we another leading mission. twenty-one engineering companies in this Province represented on a mission into Holland, into Norway and the UK. I make no apologies. The success stories resulting from this particular initiative numerous, very numerous. Significant business arrangements have been made and identification of partnerships have been made all because of this type inititative significant! Extremely worthwhile! We have never recommended to anybody to invest one dollar in new plants or

have always but equipment, we learning advocated it is а opportunity experience. an identify, be prepared! The scout motto is very appropriate, Prepared.'

The member for Twillingate (Mr. W. Carter) talked about the public service, the senior bureaucracy of our Province, of our government as if he were a school boy, the only person on the opposite side who had any experience as being a minister, who should have known recognized the contribution that senior public servants in his department could vield. was a minister for several years in a previous administration and the yet could not grasp of having good. significance highly qualified, highly motivated the professionalism in senior ranks of the bureaucracy and to try and accommodate that through the reorganization of a department.

He talked about bureaucratic red tape. He was actually critical of this department's rejection of an application from somebody in his constituency, because we did not permit the construction or the rehabilitation of an establishment for tourist purposes, which was turned down because they would not to very basic and adhere a principle concerning fundamental the toilets in the facility.

He complained about NLDC and said, well, we have heard the Throne Speech, we have seen the budget, we have heard all of this nonsense What is about one-stop shopping. NLDC doing he asks? From my copious notes let me give the hon. opposite little members а information on NLDC. Since April 1, one month, NLDC has received significant applications from all over this Province to the extent

if every application that approved, over 50 per cent of the total funds allocated would be already drawn down and a provision of over 600 jobs would have been full-time, year-around, created, permanent jobs. In one month, date it was from the the Throne initiated through Speech, and he asked what NLDC were doing. Where does the member have his head stuck? certainly not aware of what is happening in this Province.

Since April 1, 265 enquiries. Every single one of them responded to. Mr. Speaker, the hon. member opposite initiating those comments, obviously leaves a lot to be desired.

The member for Stephenville (Mr. K. Aylward): Verv serious concerns and comments concerning the proposed Sea Cadet base for Atlantic Canada. I commend him for bringing it to the attention of the House. The more we can bring it to the attention of the House and the attention of people making those decisions, the more benefit it will be to the I commend him for it. Province. My have supported it. Τ supported department has Every one of my colleagues have made supported it. We have representation to the federal Minister Responsible for Defence. We have made representation to the hon. John Crosbie, whom We have done supported. everything we can to promote the establishment of that Sea Cadet base in Stephenville.

He talks about the Harmon Corporation. In a very negative fashion he talks about the Harmon Corporation. That Corporation was put in place to administer and help develop an industrial complex

after the void that was left when the American forces moved out. think that over that period of done a time they have very commendable job that Harmon Corporation, made up, I might say, mostly of citizens of the area. They have disposed of most of the They have encouraged new assets. investment. They have encouraged new business into the area and employment created new result. That was their mandate and, as far as I am concerned, they have achieved most of their mandate.

He asks the question, 'Now what?' Well, as we do every year, we evaluate that corporation and other corporations. That evaluation process is ongoing.

He talked about West Viking Industries. Hopefully, there will be something there.

#### MR. EFFORD:

A point of order, Mr. Speaker.

#### MR. SPEAKER:

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

#### MR. EFFORD:

Mr. Speaker, I have been listening hon. to the Minister of Development and Tourism in great anticipation of hearing something about what he is going to do with tourism for 1987 and 1988, and into the future. What he has done is spend ten minutes talking about the Leader of the Opposition, and colleague from now my Stephenville, talking about the irrelevancy of what they had spoken about. You are doing the same thing. It has nothing to do with tourism. If the minister is making his closing remarks, We would at least like to hear of encouraging something is

planning to do over the next year.

#### DR. COLLINS:

To that point of order, Mr. Speaker.

#### MR. SPEAKER:

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

#### DR. COLLINS:

The hon. members opposite, all the Liberals over there are not paying the proper attention to my hon. friend or they would get many gems of information. All those Liberals over there, right in front of me, they should be paying attention to the hon. minister.

#### MR. TULK:

Further to that point of order, Mr. Speaker.

#### MR. SPEAKER:

Further to that point of order, the hon. the member for Fogo.

#### MR. TULK:

I have been sitting here listening with great anticipation to what the Minister of Development was saying. I am looking forward, as my friend from Port de Grave said, to hearing him say something that is essentially going to lead to the development of the tourism industry in the Province. to one conclusion, Speaker, as a result of listening to him, and that is that the real problem is not with what minister says, the real problem is that he actually believes what he says.

# MR. SPEAKER:

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

The hon. the Minister of Development and Tourism.

#### MR. BARRETT:

Rather than respond to the point of order, I will do it as part of my rebuttal in the closing of this debate. If I had stood up here at this point and not responded to what was raised by the members opposite in a systematic way, they would be critical of that - I had ignored the concerns they have raised. Ι was not of for the member critical (Mr. K. Aylward). Stephenville When I said I was critical, I was critical of the person I spoke to that, the member for before Twillingate (Mr. W. Carter). commended the member for Stephenville on bringing to the attention of the House as often as can, and not only to the attention of the House, everywhere he can be heard, the advantage of having a sea cadet base in Stephenville.

# MR. TULK: What have you done?

# MR. BARRETT:

I also said what I did. You said you were listening intently. did not hear anything. The West Viking Industry, as far as I am concerned, is one of the gems of presented that has opportunity itself to Western Newfoundland, and their proposed and anticipated involvement in offshore. Where it has been said before that it is all going to accrue to St. John's or it is all going to accrue to some part of Placentia Bay, here is an international company, with a great reputation, prequalified for this type of work throughout entire international construction community, who, their own, without any pushing with but some me encouragement, I may say, from my colleague from Port aux Basques Mitchell) and the Town (Mr.

Council of Port aux Basques, and the Harmon Corporation and the Council of Stephenville, Town agreed to establish a construction facility in Port aux Basques and have already signed an agreement with the Trades College in Stephenville with respect to providing ongoing instruction and job creation programmes for the people of that centre.

The member for Fogo (Mr. Tulk) talking about patronage appointments and the relevancy of to assistant deputy that ministers, again leaves somewhat out in left field. not know of any political appointment. or appointment political purposes, to the high position in my department assistant deputy minister and I defy them to make would anv connection. It just does exist.

There was some reference to development officer that we employing to pay specific personal attention to Buchans. Criticism, criticism of a man with great deal of experience, awareness and understanding, to be specifically assigned Ъy department, through the Gander regional office, to pay particular attention to the plight of the people of Buchans. They had one last shot at being a viable community in this Province and he achieve that helped opportunity in a very significant fashion, as did officials of my department, as do a great many other people, and I commend the attitude of Abitibi-Price and ASARCO for their initiative and their attempts to put in place something that would fill the void that was left because the ore ran out. That initiative is significant and I commend that

particular person. The fact that he was a previous colleague really nothing do with his to capability to perform this particular function, because he has done it well. He has done it well, and I make no apologies for him either.

The member for Burgeo Bay d'Espoir (Mr. Gilbert): "The only people who were going to get loans are those who know somebody." What utter nonsense! Utter nonsense! The tourism industry is not developed. Great opportunity! Do members opposite to listen? The Tourism Development Subsidy agreement has this created an investment in Province - listen the numbers - of \$41,191,074. Now. do those of numbers sort rattle any change? Does that suggest to you that this department's initiatives in the tourism creation activities and initiatives from the private sector is working? It sure as heck answers a resounding yes to me, when we can get private sector participation and investment of over \$41 million.

Let me just extrapolate a couple of examples for the hon. member for Bonavista North (Mr. Lush) who does not happen to be in his seat Last the moment: year \$433,000, a private sector initiative in tourism in his area, in new development. The hon. the member for Burgeo - Bay d'Espoir (Mr. Gilbert) who is talking about all the patronage. \$422,000. Gander, the hon. the member for Gander (Mr. Baker), who is now running to be leader of the party, the eighth one or the ninth, I am not sure which, \$3,522,000 in his Liberal district. a district. private sector investment encouraged by this department. Port de Grave \$82,000.

#### MR. WARREN:

He does not want it. Take it back, 'Hal'. I will take it.

#### MR. BARRETT:

If the member would just bear with me for a moment, these are public.

#### MR. EFFORD:

On a point of order, Mr. Speaker.

#### MR. SPEAKER:

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

#### MR. EFFORD:

Mr. Speaker, the minister over there is pointing very clearly to amount of grants to private sector, and he is leaving the impression, or at least some of his colleagues are getting the impression, that I am knocking the fact that \$82,000 went to the Port de Grave district. When I spoke for twenty or twenty-five minutes or whatever, I did not criticize the minister or talk about patronage, I was encouraging him to have more money spent by the private sector to increase tourism development all over Newfoundland.

#### MR. SPEAKER:

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

The hon. the Minister of Development and Tourism.

#### MR. BARRETT:

For matter of clarification, I was not critical of the hon. member's comments his observations. or When I spoke critically, and the reason I am introducing this, is in response to a criticism made by his colleague, the member for Burgeo Bay d'Espoir (Mr. Gilbert). The two recipients of the investment opportunities are Mackinson's Lodge and The Brigus Historial Society.

St. Barbe where is the member for St. Barbe (Mr. Furey)? - \$979,000. The initiative that has come from that district and associated districts in that area on the Viking Trail - I have to allude to some comments and some criticisms from one of the other members over there, and I will come to it when I get along here.

Oh, yes, the member for the Strait of Belle Isle criticized tourist associations, he did not want them to be closed shops. We have no feature in our application process which asks a proponent whether he is a member, subscribes to, or is part of any association. None whatsoever! Absolutely none!

Mr. Speaker, I am reminded that I have to get on with this because my time is running short. Let me carry on.

Tourist associations in this Province are one of the most significant benefits to tourism in this Province, no question about it. They have brought together people with common interests all over this Province.

The Bonavista Tourism Association: I was out, just two nights ago, in the district of the member for Bellevue, helping to organize Southwest Arm а of tourist subcommittee that association. There was resounding turnout of people with a dedicated interest in tourism for that particular part of the district, and somebody over there has the audacity to criticize that kind of an activity by the people this Province, totally It was initiated by uninitiated. the people who live in those areas, where it should be, that is where the strength of it is, and to suggest otherwise, as far as I am concerned, is criminal.

Maybe I can deal I have others: for Port with member the Grave. He happens to be one of the ones who ask questions in the He agreed with the need House. for further assistance within the department. I give him credit for that, for having an understanding and appreciation of just how much activity there is associated with this and other initiatives of the department, which I will get to in a few minutes. He spoke about the need for job creation initiatives Why do we not apply some funding? I would like to suggest to the member that we already have. My colleague, the Minister of Culture, Recreation and Youth (Mr. Matthews), in accommodation of a request that I have made, and my other colleague, the hon. the Minister of Career Development and Advanced Studies, has agreed of significantly the cost further exploration activity Red Bay, as an example. That is just one example that I can provide.

Tourism in Newfoundland today is responsible for the creation of 10,000 permanent jobs in this Province, notwithstanding casual employees that are hired for the peak season. It is worth in real dollars to the economy of this Province \$250 million It is one of the highest year. contributors to the economy of this Province, but that is not a11: I would like to suggest that in this past year the Tourism Development Subsidiary Agreement to the contributed directly creation of 500 new jobs. Industries Development Agreement, which my department is for administering. responsible created 190 new jobs. Marketing Assistance Programme,

which is again administered by this department, helped create 209 permanent jobs in this Province. Newfoundland and Labrador Development Corporation have already this year been responsible the creation of 167 new, permanent jobs. This year 1,066 new jobs created - Research and Development initiatives, which my department is responsible for in this Province. It is amazing! People just do not realize how extensive the R and D community is becoming in this Province. Around that center of excellence which we have been helping to create and establish, the Institute of Marine Dynamics, Memorial University and the Marine Institute, 250 new jobs in that sector alone.

A significant benefit to this Province. The estimated number of jobs that have been maintained as a result of these initiatives, is another 2,000 jobs. This year alone, 3300 jobs.

Mr. Speaker, need I go on? It is hardly appropriate to try respond in some fashion to some of the observations that were made opposite. critical of department and to the man, to the person. If they would care to get Hansard - I asked for it, but it has not been taken off the tape yet - of the Estimates Committee that dealt with my department this week. when earlier these estimates were approved by the entire committee in less than every single three hours and person - I will not say what they said about me, because if it is complimentary Ι will embarrassed, but what they said about the officials of mν department, and the complimentary way in which they treated the officials of my department, to the person, and the need for further personnel to accommodate its mandate - I wish I could have read it here. It would have been an embarrassment to some, and others, with maybe the stature of my friend from Port de Grave, would have admitted to it.

#### MR. EFFORD:

I was not there.

#### MR. BARRETT:

He was not even there. This is significant, being in the House of Assembly and being critical and being in an Estimates Committee and being totally supportive.

### MR. SPEAKER:

Order, please!

The hon. minister's time is up.

#### MR. BARRETT:

I move seconding reading.

On motion, a bill, "An Act To Amend The Department Of Development And Tourism Act," read a second time, ordered referred to a Committee of the Whole House on tomorrow. (Bill No. 4)

#### MR. SPEAKER:

At this time I would like to read the three questions for the Late Show. All of them are addressed to the Minister of Finance.

"I am not satisfied with the answer given by the Minister of Finance on the tax reform concerning consumers." That is from the hon. the member for Port de Grave.

"I am not satisfied with the answer given to me by the Minister of Finance concerning the federal minister's tax reform." That is by the hon. member for Fogo.

"I am not satisfied with the

response to my question on tax reform." That is from the hon. member for Bonavista North.

Motion, second reading of a bill, "An Act Respecting The Return Of The Business Of Fishery Products International Limited To Private Investors." (Bill No. 34)

#### MR. SPEAKER:

The hon. the Minister of Fisheries.

# SOME HON. MEMBERS:

Hear, hear!

#### MR. RIDEOUT:

Thank you, Mr. Speaker.

On behalf of my colleagues in government I am delighted this afternoon to have a few minutes, and hopefully more tomorrow, to expand on this bill No. 34, "An Act Respecting The Return Of Fishery Products International To Private Investors."

I would suspect, Mr. Speaker, that there would be very few people in this House who were here at the time the original restructuring bill was passed, in 1983. suspect there would have been few of us at the time. There would probably have been equally as few within the Province who would have suspected that in a matter of three and a half or four years we would be back here in Legislature repealing a number of sections of the Fisheries Restructuring Act of 1983 because the company, which was set up by that act and the agreement which that act incorporated, had been the successfully returned t.o private sector. I do not expect, Mr. Speaker, that many of us would have dreamed in our wildest dreams that that would have happened as quickly as it did happen. But it has happened and it has happened very successfully, Mr. Speaker. Consequently, we are here today with this bill to amend a number of the clauses and provisions of the original Restructuring Act which no longer has any bearing on the activities of the privatized FPI.

Now, there are many, many clauses in the original Restructuring Act of 1983 that are on the books and will stay on the books as the law of the land and under which, by the provisions of Bill No. 34, even the privatized FPI will still be bound. I will over the next day or so hopefully go through those provisions in detail, Mr. Speaker, and point out the changes this particular Bill will bring to original Restructuring Agreement and also be pointing out of the original the clauses Agreement that Restructuring effect the remain in for protection of the deep sea fishery in this Province.

#### MR. TULK:

You are talking about the remaining clauses.

# MR. RIDEOUT:

The remaining clauses, yes.

Mr. Speaker, in essence and in reality this is privatization phase two of Fisheries Products As members will International. recall a year and a half or two years ago when the government shareholders accepted the five year business plan of FPI we, at that time, accepted privatization phase one. Privatization phase one was basically the return of fifteen inshore fish plants to the private sector.

Mr. Speaker, at that time it was alleged, at that time it was hinted, at that time it was

suggested that this was FPI, the great restructured company bailed out by the taxpayers through the governments and the bank, this was the great FPI selling of their I remember on numerous losers. occasions, Mr Speaker, various of Newfoundland sectors the society accusing FPI of selling off their losers in privatization phase one.

Well, the fact of the matter, as I am sure all hon. members of the House know, Mr. Speaker, the fact of the matter is and was that nothing could be further from the truth. Some of the plants that privatized in were being privatization phase one had, various occasions, been losers but many of them had on many occasions been winners and had made money for the companies that owned them previously to the restructuring of 1983.

So, it was not a matter of getting rid of losers in privatization phase but matter one а developing a corporate strategy that would allow those plants that could probably best be operated by smaller, independent processors be returned to the private sector and returned to independent business people in this Province. As I suggested, Mr. Speaker, that went very, very well.

As a matter of fact, within a year, I believe it was probably less than a year, fourteen of those fifteen plants were returned entrepreneurs in private Newfoundland and Labrador. A11 fourteen of them were returned to the private sector, Mr. Speaker, without one red cent of public investment. All fourteen of them, Mr. Speaker, were returned to very reputable, private entrepreneurs who had been in business in this Province for many years or who had recently set up business in this Province over the last three or four years.

The one remaining plant, the one remaining facility that still has not been returned to the private sector, of course, is the plant at Charleston and there had been an agreement in principle to sell that when the purchaser, just a month and a half or two months ago, decided to withdraw the offer so FPI have since announced that it will operate that plant for this season as it would any one of the rest of its plants, and there will probably be a new procedure to divest itself of that facility later on in the year or in fact they may decide to keep it. The fact of the matter is knows? that fourteen out of fifteen plants that were part privatization phase one were divested successfully and divested without any assistance whatsoever from the taxpayers of Newfoundland and Labrador. In the process, Mr. Speaker, we strengthen and develop in this Province a very vibrant inshore processing sector, some of which was not even there before this divestiture process.

example, Eldorado Fisheries out in Port aux Basques purchased the Port aux Basques facility and the Rose Blanche facility. used to be part of T.J. Hardy's group of companies a number of years back. But those particular facilities, and the one in St. Lawrence, attracted a new source of private entrepreneur investment Newfoundland capital to Those plants, all three Labrador. of them, have operated very, very since they successfully purchased by Mrs. Ting and her associates and I have

nothing but commendation, I have heard nothing but praise from the communities and the employees and the councils in those three communities where that lady is operating.

So, that has been beneficial, Mr. Speaker, in that it has strengthened the inshore of the processing sector Newfoundland fishery by attracting private capital. private entrepreneurs to invest in the fishery in Newfoundland. And that is only one example.

#### MR. TULK:

Would the minister permit a question?

# MR. RIDEOUT:

Sure.

#### MR. FLIGHT:

Speaker, I wonder if the minister could tell us something about those fourteen or fifteen plants. I must say that I have not been chatting with him for a while so therefore I have not been paying perhaps as much attention to fishery as Ι would the But in the divestiture normally. process of the fourteen or fifteen plants, I wonder if the minister could elaborate in a statement on just how much FPT or the government or whoever received for those plants and what percent of the total capital value of those plants was the amount received? I wonder if he could tell us that?

#### MR. RIDEOUT:

Mr. Speaker, I would be glad to. I do not have a plant by plant breakdown -

# MR. TULK:

The total.

#### MR. RIDEOUT:

- which I can get, but the total for all of the fourteen plants and some of them remember were leased facilities, like the one Harbour Deep, in my constituency, was leased facility, Anchor Point was а leased, Williams Harbour was leased. But out of the ones that were sold like Port aux Basques, Rose Blanche, Englee -

#### MR. TULK:

They were leased from the government, were they not?

### MR. RIDEOUT:

Leased from government and/or fishermen's committees - out of the ones that were sold, realized just slightly in excess \$6 million for the capital assets that were sold, and that approximated their capital value at replacement value. On those plants, some of them FPI spent some capital funding on to improve them before they were sold, some of them they did not. So it was just slightly in excess of million. I do not believe it was quite \$7 million that was realized by the company and of course that went into the company's operating account because it was a capital sale.

In addition to the company that I just mentioned, Mr. Speaker, of course there were some other traditional Newfoundland companies, some newly formed, some that have been with us for decades in the fishery that were also strengthened by privatization phase one.

I think of Mr. Hallett and those from Valleyfield who picked up the plant in Twillingate, for example. Beothuck Fisheries is a company that is well respected along the Northeast Coast of Newfoundland and have managed the

Twillingate operation very successfully and very well last year. They are a proven company. They have a proven track record in processing sector of inshore fishery in this Province, have, thereby, strengthened their operations by being able to pick up without any government that facility assistance Twillingate and some of the leased operations that were associated with it.

In Englee, Bide Arm and Anchor Point, and a couple of other places down the Northern Peninsula, Dorset Sea Foods, Dr. Ches Blackwood, his company was able to take advantage of the marketplace and expand and pick up those facilities in that part of the Province.

So what I am saying, Mr. Speaker, is that privatization phase one very, very successful. should mention too Universal Multi Food Limited, of course, which is a new Newfoundland company. were able to pick up some of the assets of FPI in Fermeuse and some others by purchasing from Quinlan in St. Mary's and Riverhead I believe, and together they have very, very successful а operation in that part of the Province.

So, the bottom line is, for those who were saying FPI was getting rid of their losing operations, we said it was not so at the time. It was part of their corporate strategy at the time to give back to the private entrepreneur, the private investor in Newfoundland, those plants that were perhaps better able to be managed and operated and operated successfully by a small businessman rather than be part of the big corporate conglomerate called FPI. So that

has gone very well, that has been very successful, and that is now behind us, with the exception of Charleston which may or may not be returned until later.

That, of course, takes us t.o privatization phase two, which is, in essence, what this bill is all Now, Mr. Speaker, there about. were those who said at the time and it was a legitimate criticism - that this decision to privatize this company could be criticized as being premature. But I suppose any time, whether it is five years or six years or seven years, eight years, ten years, could criticized as being premature.

The fact of the matter, Mr. Speaker. is that in restructuring agreement, 1983, signed by both governments, both governments committed themselves in a signed document, in a written document - one part of which became an act of this Legislature committed ourselves returning FPI to the private sector as soon as possible. That the wording of the restructuring agreement of 1983. soon as possible obviously became apparent in the latter part of 1986 and the early part of 1987 when all the market indicators were positive and the resource was the best you can have a resource. There might be further decreases from year to year. There might be increased from year to year. that is managed on a scientific interference basis without any from governments or individuals to suit one corporate philosophy and not suit another. But all the indicators were positive.

One of the most positive indicators, Mr. Speaker, was that the capital requirements needed to privatize this company could be

raised in the capital market, basically in the capital market of Canada. The capital market has been very, very bullish, I suppose, for the want of a better word, over the last number of months.

#### MR. TULK:

How are the shares now?

#### MR. RIDEOUT:

The last I think was seventeen and five-eighths. They have been up to eighteen and a quarter, as the member probably knows.

Mr. Speaker, let me say to the Legislature that we did not rush a decision as per a 32 cent shareholder, shareholder. We did not rush into a decision to privatize FPI. privatization proposal was made. We hired outside fiscal advice to analyze it for us. Meryl Lynch, I believe, were the people we hired, and Solomon Brothers the federal government hired. We told them to go away independently, assess this privatization proposal, assess the valuation of the company, and tell us if, in your considered fiscal opinion, you think this makes think this sense and you something we ought to give serious consideration to.

#### MR. TULK:

Did you said the federal government hired Solomon Brothers?

# MR. RIDEOUT:

They hired another group. We hired one group. McLeod, Young, and Weir was FPI's people. We hired Meryl Lynch, and, I could be wrong, but I believe it was Solomon Brother that the feds hired.

#### MR. TULK:

What (inaudible)?

#### MR. RIDEOUT:

None. They used to be our fiscal agent years ago.

# MR. TULK:

Not now?

#### MR. RIDEOUT:

Not now, no. The Minister of Finance could better tell you that, but I am sure they do not have any relationship with us, Solomon Brothers does not anymore.

Anyway, Mr. Speaker, the point I am making here is that we did not depend on what could conceivably be the prejudiced opinion of FPI and their fiscal advisors as to whether the timing was good, the capital market was whether good, whether the valuation of the company was good, or whether the potential share evaluations were good. We did not depend on that. We asked an outside group to do those observations and do those studies for us. I must say, in all three cases, Mr. Speaker, the fiscal advisors for FPI. fiscal advisors for the Province, and the fiscal advisors for the federal government, they within that much of each other. It was almost uncanny that they that were so agreeable privatization proposal was so fair and so beneficial and was put together properly.

The other thing, of course, that we found very interesting as a province was that part of the privatization proposal would see some rewards go to those people who helped get this company off the ground. You can pay all the credit and all of the respect you like to Mr. Young and his senior executive team, and they have done a fine job, but they could never do that job unless the 8,000 people who are FPI, the 8,000

people who are the trimmers and the cutters and the trawlermen. and the captains and the mates, the 8,000 people who make up that company, that company could never have turned around unless everyone of those men and women put their shoulder to the wheel and were committed to turning around the company. We had no problem as a government with accepting a profit sharing plan, as part of the proposal, with privatization granting beneficially accepting about \$7 million worth of shares to those employees, and also with subsidizing to a small degree the further purchase of shares by those employees in the company if they so wish.

AN HON. MEMBER: (Inaudible).

MR. RIDEOUT: Pardon?

AN HON. MEMBER: (Inaudible).

#### MR. RIDEOUT:

The ones that were given-them cost nothing, absolutely thev were free. What they are allowed to buy through payroll deduction the company pays 10 per cent premium to them to help them offset the cost of buying them. So there were three components, Mr. Speaker. of that privatization proposal that were very important for the employees themselves.

Now, Mr. Speaker, I understand that we are into a Late Show this evening, so I would adjourn the debate and pick it up tomorrow.

Mr. Speaker, I am going to table the prospectus if anybody wants one. Maybe the page could take it.

#### AN HON. MEMBER:

(Inaudible).

# MR. RIDEOUT:

There is still money to be made on them yet, I hope.

# Late Show

#### MR. SPEAKER:

Order, please! There are three items to be debated at the adjournment. Item No. 1 is by the hon. member for Port de Grave who is not satisfied with the answer he got from the hon. Minister of Finance.

The hon. the member for Port de Grave.

#### MR. EFFORD:

Thank you, Mr. Speaker.

My question this afternoon was to the Minister of Finance When any increase in Collins). taxes or when any tax conversation comes up or any changes to any tax laws or tax reforms, any consumer especially any Canadian is concerned because tax is a word makes all shiver. especially Newfoundlanders and the Newfoundland consumer. certainly evident in the past that the Newfoundland consumer is taxed to the highest point possible.

In my question this afternoon I the Minister of Finance asked this, this is what was stated. want to read the question. the minister investigated to the possibility of indirecting taxing the consumer or is it just taking the assurance of his government in Ottawa or his buddies in Ottawa?" answering The minister in give me question did not assurance or the confidence that I The Minister of should have.

Finance is speaking on behalf of the consumers of the Province and need confidence minister. We need the confidence displayed so we are going to, in this new tax reform, be assured the tax burden is not going to be placed again on the consumers of this Province. If the people of this Province are going to be assured that this is not going to happen, then the minister is going to have to give a better answer or we are going to have to require a better explanation of what is going to take place come June 18.

I can assure the minister that if any business, any corporation is to have their increased, then they are going to pass it on to the consumer. You can make no mistake about that. Any businessman, whether they are small or large, if taxes increase, they are not going to carry the burden. The idea is to maintain a profit level satisfactory to their investors or satisfactory to their profit sharing at the end of the year and they are not going to be able to keep that in their own levels of profit sharing without passing it on to the consumer. The idea is and what happens - not nine times out ten - but ten times out of ten the private individual, the consumer of this Province always pays the price.

Now, the scare of this business transfer tax is that it is a hidden tax. The scare of that is any hidden tax can be passed on or increased at any given time. This is what we are afraid of. This is what we need the Minister of Finance to ensure is not going to take place, that he is going to be up there fighting for the Newfoundland people, that what is going to take place is going to be a protection for the consumer and

not a protection for corporation or protection for the business people in this Province or in any part of Canada because if it is not nationwide - and this is a problem - if it just kept into one corner, fine, we control it, but nationwide is where we start to lose control. Once decisions are made in Ottawa, Newfoundland people forgotten about. We have seen that in the fishery, we have seen that in all aspects of federal matters pertaining to Newfoundland and we do not want that to happen over again.

We want the assurance of the Minister of Finance that this is not going to take place, that for once the consumer is going to be protected. What you see happening is like for example, the federal tax has also come under is because it invisible to consumers and government temptation to keep resist the jacking up the hidden tax.

Now, we would like the minister, in response to his question — and I will sit down very shortly — to give us some assurance that our confidence in him for once is going to be built up into an area so we can see no longer the consumer having the burden. We do not see any way in which these new tax reforms are going to be brought down to help the consumer but, again, to put a further, heavier burden on the consumer.

Thank you, Mr. Speaker.

#### MR. SPEAKER:

The hon. the Minister of Finance.

#### DR. COLLINS:

Mr. Speaker, I understand now that the three questions deal with this subject and are directed to my comments in the Question Period. I am quite willing to go whichever way the House wants to go or members opposite to go. But if members opposite wish all to say their piece, we might be able to get out a few minutes early and then I could try to answer all the questions I am able to at the end or do you want me to respond to each one.

MR. TULK: (Inaudible).

#### DR. COLLINS:

I am being so reasonable, I am amazed how reasonable I am.

First of all I would like to say that the hon. member has brought up an extremely good point, that is small that quite often provinces tend to get a bit overlooked when large questions are considered at the national level. I suppose it is sort of a human failing. There are more people in the central part of the country and in the larger provinces. There is more votes there. There is more pressure groups preserving their piece of the cake and all of that sort of thing so, I suppose, it is natural thing and it is a good point to always bring out and to remember. We have to work extra hard, coming from a small province, when things are being decided on the national scene.

I can assure the hon. member that we are very, very much alerted to that and that is why I emphasized during the Question Period that we at this have given, stage, absolutely no commitment whatever. All we have said is that we are willing to listen, we are anxious to listen, because we know that the federal government have the levers in their hands. I

they are talking mean, about. changing federal statutes, federal income tax statutes for persons, federal income tax statutes for corporations, federal sales statues, and that type of thing. They are talking of legislation. I suppose if they wanted to - I would think it would be most unwise - they could go ahead and just bring in the things and ignore us. But they have said, 'No, we want to discuss it with you,' and we have, therefore, said, 'Yes, we are anxious to listen because we want to have input into this.'

Now, having said we were anxious to listen, we were at pains to point out that we have serious misgivings about the way thing could be brought in. not saying the way it will be brought in, because we do not know the details on that yet. But we have said. 'Look, if this brought in in an improper way and it can be brought in in an improper way - we would have tremendous misgivings about it. We would have to resist it. would have to say we will not support, even though we realize that in the end we may not prevail with our arguments because it is federal legislation,' as I have mentioned. But we left them in no doubt whatever that if they want our support, they have to be very attentive to our concerns. give us the information we want because we want that information to make our own judgement ultimately.

Our position finally to the federal government is going to be determined by our own assessment of the facts. We want them to give as many facts as possible, as many opinions as they want, and all that sort of thing. All that

information is helpful to us. But in the end, the end thing that will determine our attitude is how we assess it ourselves.

We are going to assess it in two ways. One, what is the affect on economy and the business sector of the Province, and when I say the business sector I mean the business activity, the activity in the Province. Because when I say business in that context. I talking about am management, I am talking about the employed people, and I am talking about the consumers, all that Business activity. suppose, I am talking about more than anything else. So that is one way we are going to assess it.

The other way we have to assess it is: What is going to be the affect finances of this on the government? What is it going to do to our budget? So we are going to be very attentive to that. I am glad the hon. member has brought up that very good point to give me an opportunity to respond to it in more detail.

#### MR. SPEAKER:

The hon, member for Fogo is not satisfied and it is a similar comment as the previous comment.

The hon. the member for Fogo.

# MR. TULK:

Speaker, the Minister Finance asked if we would all say piece and then he could respond, and we refused. There is a very simple reason for that. Here I do not believe that we are talking about something that is just going to take five minutes to settle. As a matter of fact, it could take several days. What we see happening at the federal level may very well affect the economy of Newfoundland to the extent that none of us at this time can even be aware of.

There are those people in Canada who believe that Mr. Wilson - he has a problem. He has a problem with the federal deficit. Most of the provincial governments in the country have problem with a deficits. Although Mr. Wilson, the federal Finance Minister, seems to be sweetening the pot by telling everybody that he is going to cut their personal income tax, and that you are going to have more disposal income, in actual fact what Mr. Wilson may be doing is using a tax called the business transfer tax, which is only a variation of the value added tax. to cut down his deficit. course, if you are going to cut down your deficit, you have to have more taxes unless you create more economic activity to create more taxes.

In this particular case there is every indication that Mr. Wilson, by broadening the tax base with business transfer tax the include such things as goods and services and not just manufacturing tax, may very well be sticking it to the consumer once again, but indirectly and in a hidden fashion.

My first question to the Minister of Finance this afternoon was when asked him, what effect this hidden tax, this business transfer tax, would have on those people who have to buy one of services called medical services and one of the services called educational services. was nothing, basically. It was nothing. We also wanted to know, of course, if he had agreed with the federal Minister of Finance

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(Mr. Wilson), as the federal Minister of Finance has said, publicly in this country, that all federal or provincial Finance Ministers had agreed in principle with his plan.

# MR. J. CARTER: (Inaudible).

#### MR. TULK:

Mr. Speaker, perhaps we could send him to a detox centre so he could get off that — what is it he grows up there? — that savory mood that he seems to be in over there again.

Mr. Speaker, the point I am making to the Finance Minister is that it seems to me that the federal Finance Minister has misled the people of the country by saying agreed, he has he provincial minister has agreed to this business transfer tax, to the kind of tax measures that the federal Finance Minister is going to bring in or if he has agreed would he table - and this is another question - would he table the studies that he has done, the analysis that he has done of the effects of this new tax reform, it may not be a new tax at all, but this new tax reform, would he table that in this House to show us what the affect is going to be on a person who wants to buy a home, a person who wants further his education, who person who needs medical services, so on and so forth.

Now, the Minister of Finance (Dr. Collins) this afternoon, and I say this to him in all sincerity, fuddled around with the issue. At one point he said he had had meetings, at another point he said he had not agreed, at another point he said he had agreed, at another point he said that we

would do studies at a certain point in time.

I want the Minister of Finance to stand in his place and tell us whether he has agreed with Mr. Wilson's tax reforms? If he did what What agree, on basis? analysis studies and of Newfoundland economy and effect of this business transfer tax is going to have on it has he done? If so, would he table those studies that he has done in this legislature so that we can see, which is the role of Opposition, and so that the people Newfoundland can see just exactly what the effect of Mr. Wilson's broadening the tax base of the country to include goods and services, is going to have on the amount of money that the consumer has in his pocket.

Now, if the Minister of Finance is unable to do that then I say to him in all fairness that he should never, never agree or accept Mr. Wilson's financial analysis of the problem. He should never agree until he has done his own and if Mr. Wilson is in this country saying that he has agreed, then the Minister of Finance should publicly correct him saying that he has not, if he has not, or if he has, he should table the study. If he has agreed and not done the studies, then he should withdraw his agreement until such time as he has done the necessary analysis that needs to be done. I tell him this is all sincerity, what we are looking at here is not It is not just simply simple. another increase in tax or decrease in personal income tax or anything else.

What we are looking at here is increasing practically right across the whole scope of the

economy the manufacturing sector of the economy and the goods and services sector of the economy, we are increasing that as a base for taxation and, at the same time, we are not saying to the federal Finance Minister or the federal Finance Minister is not committing himself that by getting increased revenues by broadening his base he will see that the rate of taxation in this Province on that broadened base is kept down. what in actual fact the Finance Minister in Ottawa may be doing is increasing his revenues to cut his own deficit at the expense of Newfoundlanders.

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I would like to know as well, if that is the case and he has agreed to that, what portion of that increase in revenue is he getting to try to cut out the deficit that he has in his budget?

# SOME HON. MEMBERS: Hear, hear!

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#### MR. SPEAKER:

The hon. the Minister of Finance.

#### DR. COLLINS:

Mr. Speaker, the hon. the Leader opposite very correctly says that Mr. Wilson has got a problem. He has a deficit and a very large deficit. A deficit, of course, that has built up over the years. I think it really accelerated in the early and mid seventies when there was almost a total disregard for any sort of sensible economic management and financial management in Ottawa. It built up at that stage and it was very, very difficult to get on top of extremely difficult, especially at the time when you are trying to get on top, suddenly a very severe economic recession So it is a very comes around. difficult problem and there is no doubt about it Mr. Wilson is in a tremendous bind.

However, Mr. Speaker, to Province, to a man, to a woman, to a person, to an entity, all the people who attended these federal/provincial meetings over "If you this matter have said, want to bring in tax reform, bring in tax reform. Do not bring in tax increases in the guise of tax reform." That is sneaky, that is going to get you into more trouble than you can shake a stick at. It is something we will not support. We all know because I suppose at those meetings there were mainly treasurers and finance ministers, and we all know that unfortunately taxation is a fact of life and you government cannot carry on services without taxation. is regrettable but it is true. we all understand the need for taxation.

But we say if you want to increase taxes bring in new taxes, bring in increased taxes, do not do that under the guise and under the name and under the subterfuge, shall we say, of tax reform. We will not go along with that. If you come straight out and say, "My deficit can only be brought under control by putting on more taxes," we probably would argue with you but at least we will understand it. We will not understand it if through the backdoor you are going some deficit bring to in reductions through tax And so we have insisted on what is called neutrality in this, that is the federal government's revenues, as a result of this exercise, should not end up in a better situation than at the beginning.

Now, of course, obviously, if Mr. Wilson's brings in tax reform

during a particular budget, you cannot say, "Do not bring in in same budget some tax changes." All we can say is that in this particular exercise, not bring in tax changes by the If you are going to backdoor. bring in tax changes at the same time, label them as such so it is quite clear what they are and do not confuse them with tax reform.

#### MR. FLIGHT:

Are you afraid that he will do that?

# DR. COLLINS:

Sure, everyone is human. I mean, any tax collecting person who is faced with a big deficit, he tries relief where he can get to find But we laid it down in very clear terms is if he is going to enter into discussions with us, and presumably he is going to do that to try to get our support and our comfort and our help, he is going to not get that if we detect that the end result of this is going to be something other that neutrality.

So I do have to take the message that the hon. House Leader sent across and I do not have to take it, it is not a new message to me, it is one that I had all along, but I can respond to that by saying that is the situation we have taken.

Now I do also have to say of course that you cannot say that every person is going to end up with the same tax load as before, or perhaps every business, or perhaps every sector of the economy. I think that would be an almost impossible task to do it that way. But all we can say is that the federal government should not itself end up better off.

Now, having said that you cannot guarantee that no one will have a changed situation. We have said him, as Ι have already indicated previously, that we are going to look at what is bottom line for this Province, economy in this Provinces and government in this Province, and matter whether there is neutrality there or not, quite that desirable apart from result, neutrality, quite apart from that, if it is to we still will detriment, against it, even though we will not be against on the fact that it is not neutral, we will be against it on the basis that it is not good for us. We have to see the implication for ourselves first and we will judge our concurrence and support on that basis. there be no doubt about that, Mr. Speaker.

# MR. SPEAKER:

Order!

# DR. COLLINS:

I will get to another point when I have an opportunity.

#### MR. SPEAKER:

The hon. the member for Bonavista North has a similar problem with the answer he got from the hon. Minister of Finance.

The hon. the member for Bonavista North.

#### MR. LUSH:

Thank you, Mr. Speaker.

Mr. Speaker, with respect to this whole tax reform matter, I would suggest that it is a measure about which we should all be very, very leary. I am just wondering whether all provincial governments, this one included, all provincial Finance Ministers,

our Finance Minister included, are not giving its concurrence, are not giving their tacit agreement to this tax reform because it will give them, it will give all the governments extra provincial monies. monies to reduce the deficit. We have massive deficits in Canada today. This Province has an horrendous deficit. Quite would obviously it immeasurable good, it would give immeasurable benefit if they could reduce this deficit. And then, of course, to blame it on the federal government, the federal government were the people who brought in these measures. They can slough it off and blame it on the federal government as is their propensity.

Mr. Speaker, in an article in The Financial Post on April 13, Hyman Solomon, a very famous popular writer in Canadian circles, he is talking about this proposal, the tax reform and in talking about it 'Although technical, says, constitutional and political problems remain. provincial finance ministers and treasurers including those from Ontario and Quebec - are positive or at least sympathetic to Wilson's invitation.' That is his invitation, of course, to participate in a national sales tax scheme.

what is the tax reform? First of all, it is a scheme to bring in more money to the federal government and the provincial governments, not less. It is a scheme to bring in more money. How are they going to do it? First of all, they are going to give the Canadian consumer the impression that they are going to have more disposal income, because they are going to reduce personal income tax. But the cornerstone of the system is going to be with respect to the national sales tax scheme which they want the provinces to participate in. The most popular sales tax scheme that we hear about is the business transfer tax.

What is going to be the effect of this business transfer tax? magnitude of the effect of this business transfer tax, Speaker, is found in this point alone: Under the present system, - I wish members would listen because I am sure they do not understand what it is we are talking about, and it is these hon. gentlemen who should understand. they are government.

Mr. Speaker, I said the point that can prove the magnitude of the effect of this business transfer tax is in this one point alone: Under the present system, manufactures tax, under federal that system, that is affecting businesses 100,000 in today. That is all. How many will be affected by this business It is speculated transfer tax? between 2 to 3 million. So, Mr. just Speaker, looking at numbers of businesses that will be affected, that tells us how broad ranging this tax is going to be on goods and services, thus having an horrendous affect on consumers in this Province.

What they will have gained in a lower income, they will lose with regressive sales tax, the this business transfer tax. That is what would happen. What they gain by the reduction in income tax, they are going to lose out of the other hand with respect to the business transfer tax, the taxes goods and services, on regressive sales tax.

MR. SPEAKER: Order, please!

The hon. the Minister of Finance.

#### DR. COLLINS:

Mr. Speaker, there is a problem with the taxation arrangements in Canada. We could leave things as If we do, we will they are now. suffer. Now, why is that? suppose the most important consideration there is that tax reform is the common thing in the world today. If we do not join it, as a country we are going to be left out and we will do that to our peril. That is one point.

The other point is that we have a tremendous trading relationship with the U.S., tremendous. I think it is 80 per cent or something of our trade is with the U.S., some figure like that. So we are almost like part of the U.S. Now, I will not get into culture, but in economic terms, we are almost like part of the U.S.

Now, the U.S. has gone into a new taxation arrangement. We cannot stay as we are at variance with theirs, at serious variance with theirs - we will always have some variance with theirs obviously, we always have, we always will - but cannot be in a totally different court than the U.S. when our trade is 80 per cent with them. If so, things are just not going to go smoothly, they are not going to survive. There is going to be a breaking point. So there is a significant problem. Now that is on, shall we say, the macro scale.

On less than the macro scale, there are also problems. Our taxation system is too complex. It is getting more complex all the time. Almost no one now, small

business, big business, individual, or whatever, can fill in a tax form. He needs expert help. It is a terribly complex, complicated thing. So, on that basis, we have to do something about it.

Secondly, the sales tax that the feds have in, the hon. member is quite right, is a relatively narrow sales tax just now, but it is a very distorting sales tax. Where it is in, it very much distorts. As a matter of fact, the federal sales tax now benefits imports. It is not beneficial at all, I suppose, but it is more harmful to Canadian production. I mean, that is how silly our system is.

If you are a German selling bedspreads to Canada, you get a better deal out of the federal sales tax than if you are a Newfoundlander making bedspreads and selling them to Canadians. That is how crazy the present system is. So there is another place where our present system has to be changed.

Thirdly, there is too much load on the personal income tax side and not enough on the corporate income tax side. There has been a shift over the last number of years and there should be a balance. I am not so naive, and I am sure hon. members are not naive, to say that if you increase taxes in corporate sector there will not be some influence on the consumer. the and therefore private Obviously, that is the citizen. But, nevertheless, it is case. desirable to have а balance between the taxation load on the two parts, the corporate part and individual. private balance has been slewed in the past number of years, and that is causing damage to our economy.

So there is a problem and this is where I wanted to get back to the hon. House Leader opposite. We agreed in principle, we agreed there is a problem and something needs to be done about it. We have not given our agreement as to specifics because we do not know the specifics. Secondly, even if we did know the specifics, we have not agreed that we will support it until we know not only the specifics but the affect on this Province.

# MR. SPEAKER: Order, please!

It has been moved and seconded that the House do now adjourn.

All those in favour, 'Aye'. Those against, 'Nay'. Carried.

The House stands adjourned until 10:00 a.m. tomorrow.