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Speaker: Honourable P.J. McNicholas

Wednesday

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The House met at 3:00 p.m.

MR. SPEAKER (McNicholas):
Order, please!

Statements by Ministers

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

MR. SIMMS:
Mr. Speaker, I guess I will do it under this heading: I want to table the list of legislation. I had a copy of the legislation we propose to present during this session, which I mentioned yesterday, delivered to the Leader of Opposition and to the Leader of the NDP earlier today, pointing out, as well, that there is always the possibility of some more, but we do not expect there will be much more. Perhaps I could just table it for the benefit of all hon. members.

The Premier just reminded me that we will try to be cooperative, as I indicated yesterday, in giving as much advance notice as possible with respect to the legislation that we will debate, as many days ahead as possible, so members will have a chance to study the bill and read the bill and do all the research and all the rest of that stuff.

MR. SPEAKER:
Are there any further statements by Ministers?

MR. DOYLE:
Mr. Speaker.

MR. SPEAKER:
The hon. Minister of Transportation.

MR. DOYLE:
Mr. Speaker, I do not have a prepared statement today. As a matter of fact, I did not feel that I would be making a statement today until I read today's copy of The Evening Telegram. I want to respond to that story in The Telegram, Mr. Speaker, which clearly gives the impression that there is something unusual or sinister in the way that the Transportation Department prepares its capital account budget. I certainly would not want that to stand on the record, Mr. Speaker, because there was certainly nothing unusual at all about that process.

I would like to point out to the House that each year the Department receives many, many millions of dollars worth of requests, sometimes totalling \$300 million and \$400 million a year and we certainly do not have that type of funding to be able to respond to every request that we get.

The story also gives the impression that the Department of Transportation does not have any clear policy for allocating money for these various projects, and nothing could be further from being accurate than that statement, because the Department does have a very clear-cut, well-defined policy on allocating capital monies. Such things to take into account are the traffic volume in certain areas; the maintenance expenditures that have to be put forward each year on certain roads; and the accidents associated with certain roads in the Province, as well. All of these things are taken into account by the Departmental people when allocating this money.

Mr. Speaker, I would like to briefly read from the Departmental response to the matter raised by the Auditor General. It says, "The capital account budget of the Department of Transportation is prepared in the same manner as the budget for every departmental activity. Specifically, each divisional head is responsible for preparing the budget of his or her Division in consultation with the divisional staff, the Assistant Deputy Minister responsible for that division, and, of course, the Deputy Minister. The capital account budget is prepared in a manner identical to that of current account. The Director of Capital Construction, in consultation with the District Manager, and the Assistant Deputy Minister of Technical Services, and the Deputy Minister, prepares the capital account budget for the projects which we feel are essential and should be undertaken. That budget is then reviewed by the Treasury Board Secretariat and the Planning and Priorities Committee of Cabinet, in accordance with the procedures set out in chapter V of the government's management manual.

Naturally, as I said before, Mr. Speaker, the amount of funding requested is usually far in excess of available funding. However, the department is responsible for identifying these projects and submitting them to government for consideration. Government reviews the level of funding required as well as the individual projects identified and a block amount of funds is then approved. When the budgetary allocation is approved by the House of Assembly there is no list of specific projects, rather the block of funds referred to earlier is approved; government decides at a later date which

projects will be undertaken by Minute in Council.

Mr. Speaker, again I would like to reiterate and to confirm that while there is no actual set of policies and guidelines that might be laid down on paper, there is a clear policy that the department uses in identifying projects, sometimes to the tune of many, many millions of dollars. Unfortunately, we do not have the capital money necessary to undertake all of these projects, but they are done in a very systematic fashion.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

The hon. the Member for Burgeo - Bay d'Espoir.

MR. GILBERT:

Mr. Speaker, the Minister decided that he was going to respond to this statement by the Auditor-General that there was something wrong with the policy that was outlined by his department, or the way that the funding was distributed. Really, that is not a surprise to us, because we have been aware of that for the three years that I have been here, that there is something wrong with the funding.

Mr. Speaker, the situation is that we know that the Auditor General who is, as I say, the watchdog, felt that there was something wrong. That really is not a surprise to us. The point they made was there were no written guidelines. Now, we find, as the minister says, that he is dispensing many millions of dollars and there are no guidelines. I think this is the point the Auditor General is

making, the one that the Minister should bear in mind.

I understand that in December all members of the House received a letter from the Minister of Transportation asking us to outline the priorities in our districts. This, to me, would seem to be a little late when the planning and priorities were made in September, and, to me, there seemed to be some sort of a coverup.

SOME HON. MEMBERS:
Oh, oh!

MR. SPEAKER:
Order, please!

MR. GILBERT:
Now, I have also been checking and I found, when I talked to some of the officials in the minister's department, that even though this year was the first year that we in the Opposition received a letter asking us to make our wish list available to the department, this is a common practice for members opposite, that the Minister of Transportation has asked the members of the Cabinet and the members of the government if they have this list. This list, I understand from one of the officials in the Department, is a common thing, but we only found about it this year.

AN HON. MEMBER:
Shame! Shame!

MR. SPEAKER:
Order please! Order please!

I wonder if the hon. member would please sit down.

I think we are starting off in very good fashion. Yesterday was excellent but today I can see that

we are just starting to have interruption from my left and I would ask hon. members to please try, as I would appreciate it if I had cooperation from all sides.

SOME HON. MEMBERS:
Hear, hear!

MR. SPEAKER:
The hon. the member for Burgeo-Bay d'Espoir.

MR. GILBERT:
Thank you, Mr. Speaker. As I was trying to say, I understand that this list and request for priorities for our districts was not made to us on the Opposition until this year but it had been a common practice on that side of the House. Now, if you are going to, as I heard on the media, put into place and follow the guidelines outlined by the Auditor General, I would strongly suggest, in the interest of fair play, that you strike an all-party committee of this legislature to see that the guidelines are put into place. This, to me, would be the way to do it, because there is a certain suspicion in view of the fact that we just found out about it.

MR. SPEAKER:
Order please!

The hon. member's time has elapsed.

MR. GILBERT:
In conclusion, Mr. Speaker, I hope that we will see the programme take place this year and that fairness is used.

MR. FENWICK:
Mr. Speaker.

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

MR. FENWICK:

Mr. Speaker, it is not often that you get the Auditor General six months after you have raised the same issue in the particular circumstances, saying exactly what we said last September and October. I was listening to the Minister saying that not having priorities, plans and procedures for establishing capital funding in the Department of Transportation is not unusual. Since the Minister just came over from the Department of Municipal Affairs, where probably the same pork barrelling was occurring, it is conceivable that he does not understand how to do it any other way but that. Quite frankly, Mr. Speaker, I find it astounding that he would say that other criteria were being used, such as traffic volume, for example, and I can just imagine somebody upon Round Pond Road sitting there counting the cars going by in this extremely busy thoroughfare in this Province. I think, probably, in the course of twenty-four hours he might have found a car, maybe two, and yet we had pavement on that road to the extent and to a quality that we virtually saw nowhere else in this Province, and we had communities that were practically drowning in mud as a result of it.

Mr. Speaker, the fact of the matter is, there is no procedure in place. It is a vast pork barrel in which hooks are stuck in by Tory members and pulled out for their own benefit.

The Auditor General clearly saw that, clearly said so in his report, and the Minister's own Department prior, I suppose, to him becoming the Minister of it, said that they are planning to put in place a plan - I think it says

the ultimate regression here - 'planning to put in a plan that would have some degree of priority involved here.'

Mr. Speaker, this government stands accused by its own Auditor General of using pork barrelling patronage procedures in order to determine the priority. They know it, we know it, the media knows it, the whole Province knows it. The only question that remains is, are they going to change their ways? Are they going to put in the plan that the Auditor General is calling for? Are they going to be more objective in the procedures?

MR. SPEAKER:

Order please!

MR. FENWICK:

Mr. Speaker, if that comes out of that report, then it will be well worth while.

MR. SPEAKER:

Are there any further statements by ministers?

MR. SPEAKER:

Before calling for Oral Questions, I would like to welcome to the galleries a delegation from Port aux Basques: The mayor, Edward Sheaves; the town manager, Roland Mauger; and councillor Winnie Pretty.

SOME HON. MEMBERS:

Hear, hear!

Oral Questions

MR. WELLS:

Mr. Speaker.

MR. SPEAKER:

The hon. the Leader of the

Opposition.

MR. WELLS:

Mr. Speaker, I ask the hon. the Premier if he would inform the House as to what events occurred between June 25, 1987, when the agreement with the Sprung group was signed, and last month, when \$2 million additional funding was guaranteed by the government, that made it necessary for the government to guarantee it in light of Clause 14.2 in that agreement which specifically says, 'The line of credit necessary for the company's operation will be the responsibility of the company.'

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

Mr. Speaker, I have some information here for the hon. member which I will table under the appropriate heading when we come to it. What happened was that the project got delayed somewhat in trying to get the appropriate permits from Metro Board and other things straightened away, so that we were into the Winter season almost before the project got underway, which is not unusual in our Province. There are many projects, both road or buildings or whatever, from time to time which do not get underway as quickly as we had thought they would. Therefore the project, in large part, was constructed in the middle of the Winter which, therefore, meant that we were not able to proceed as fast on the project as we would have liked, because we had wanted to get produce into the marketplace a lot earlier. Therefore, it was far more difficult to get the project up and running in a climate or in a weather condition which would

see a quick return to the project in the way of revenue.

That is really the chief reason why a working capital loan guarantee was put in place. We do it almost on a weekly basis, at least on a monthly basis, for many different projects around the Province, including Baie Verte mines or St. Lawrence mines, fifteen or twenty different fish plants around the Province, and so on. This follows consistently in that category. So that was primarily the reason for it, Mr. Speaker.

MR. WELLS:

A supplementary, Mr. Speaker.

MR. SPEAKER:

The hon. the Leader of the Opposition, a supplementary.

MR. WELLS:

Mr. Speaker, with great respect, delay has nothing to do with it. It did not matter whether it was borrowed in the beginning, in the middle, or at the end. The agreement specifically provided that the company would provide its own working capital. Now, I ask the Premier to explain to the House what made that necessary. And if the company had the \$7 million worth of unencumbered equity to which the Premier referred yesterday afternoon in discussions with the media, why was it necessary for the government to guarantee it instead of the company borrowing it directly from their own bank?

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

Primarily because of the reason I have given already, and also because the Leader of the

Opposition and others opposite and others in the Province have tried to condemn and put this project into far greater risk than it otherwise would have been.

SOME HON. MEMBERS:

Hear, hear!

MR. WELLS:

A further supplementary, Mr. Speaker.

MR. SPEAKER:

A final supplementary, the hon. the Leader of the Opposition.

Mr. Speaker, if that operation had any merit the bankers would see it, and they would not listen to fools like me or anybody else.

SOME HON. MEMBERS:

Hear, hear!

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

Order, please!

MR. WELLS:

It is obvious, Mr. Speaker, that the banks have recognized it for the sinkhole that it is.

SOME HON. MEMBERS:

Hear, hear!

MR. WELLS:

I ask the hon. the Premier to advise the House as to whether or not he has any assessment or caused any assessment of that property to be done in order to come to the conclusion that it has an unencumbered value of \$7 million, or if he has considered it for any usage other than a greenhouse, and what its value will be when it closes as a greenhouse?

PREMIER PECKFORD:

Mr. Speaker.

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

Mr. Speaker, you know, it just takes the banks a bit longer to know something about the Leader of the Opposition which he already knows about himself.

MR. SIMMS:

Right on.

PREMIER PECKFORD:

It just takes him a bit longer, but we are learning day by day just where the Leader of the Opposition is coming from.

Mr. Speaker, the value of the project, of the facility, is \$14.5 million, as has been determined by us and by others. And, therefore, there is a \$7 million unencumbered amount there in the event of default which, therefore, would be applied against the loan guarantee of \$2 million.

SOME HON. MEMBERS:

Hear, hear!

MR. EFFORD:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Port de Grave.

MR. EFFORD:

Thank you, Mr. Speaker.

Mr. Speaker, I would like to ask the Minister of Social Services (Mr. Tobin), since the fire in the Boys' Home in Pleasantville some time last year, has he had any requests or concerns expressed by any of the employees at that particular institution where the

boys are now being housed, concerning either, number one, the fire regulations or irregularities or any other problems within the Boys' Home?

MR. TOBIN:
Mr. Speaker.

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

MR. TOBIN:
Mr. Speaker, as it relates to the Boys' Home or any other operation of the department, if we do get requests we deal with them, Mr. Speaker.

SOME HON. MEMBERS:
Hear, hear!

MR. EFFORD:
A supplementary, Mr. Speaker.

MR. SPEAKER:
A supplementary, the hon. the member for Port de Grave.

MR. EFFORD:
I suspect the Minister of Social Services is going to continue the format that he laid out yesterday, that he is going to ask for a consultant's view before he listens to anybody on what is happening at the Boys' Home. I, as Opposition critic, have had requests and concerns about irregularities at the Boys' Home that I checked out. I would ask the minister is he aware that just recently, as early as yesterday, there was an inspection done by the Fire Commissioner's Office found some irregularities that the employees themselves had expressed to the Fire Commissioner's Office?

MR. TOBIN:
Mr. Speaker.

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

MR. TOBIN:
Mr. Speaker, the hon. gentleman came in this House last year and said he had a lot of information and contacts, became an alarmist and tried to frighten everybody to death. Mr. Speaker, the same tactic is not going to work this year.

SOME HON. MEMBERS:
Hear, hear!

MR. EFFORD:
A final supplementary, Mr. Speaker.

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

MR. EFFORD:
It is all fine and dandy for the Minister of Social Services to stand up and make fun of another member opposite, but the point is we are talking about safety at the Boys' Home and loss of life. You can joke around about it, but it is very important that the minister know his job and do his job well, and obviously the Minister of Social Service is not doing that. I ask the Minister of Social Services will he immediately have some of his staff who are getting high paid salaries, not consultants, check out and see if there are any problems with the staff at the Boys' Home, and their concerns about irregularities and the deplorable conditions at that home?

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

MR. TOBIN:
Mr. Speaker, the staff of the

Department of Social Services do know the situation as it relates to the Boys' Home. We do know there is a Boys' Home down in Pleasantville, and that as a the result of the fire in Pleasantville we do have another one set up. We are dealing with it, Mr. Speaker, and hopefully within time the necessary progress will be made.

MR. SIMMONS:
Mr. Speaker.

MR. SPEAKER:
The hon. the member for Fortune - Hermitage.

MR. SIMMONS:
Mr. Speaker, I have a question I intended to put to the Minister of Environment and Lands (Mr. Russell), but maybe in his absence either the Premier or the Government House Leader (Mr. Simms) might want to entertain the question. I refer to the minister's announcement through NIS on 7 March, one of a series of announcement the minister puts out in which he gives public notice of pending projects, and in this particular one, as in others, he invites public comment on several new undertakings to determine whether an environmental impact study ought to be ordered. Now, just by way of example, one of the projects listed in the minister's statement of 7 March is a farm access road to connect the Woodman Brothers farmland to the Argentia access road. The farm lies between the Argentia road and Dunville. Now, would the minister, or the Premier, indicate to the House the Department of the Environment's reasons for wanting public input on this project, specifically. It is a farm road that leads from the highway to a farm.

MR. SPEAKER:
The hon. the Premier.

PREMIER PECKFORD:
I have not got the proposal but I will try to get it before six o'clock, and if not by six I will have it for the member tomorrow.

MR. SIMMONS:
I thank the Premier and I will save him the trouble. Could a Page take the information over to him and I will put a supplementary? Are there any Pages around? Could I have a Page?

SOME HON. MEMBERS:
Hear, hear!

MR. SIMMONS:
I have a Page. Never was I so well served. It reminds me of the good old days back in Springdale. Mr. Speaker, now that the Premier, who is a very fast reader, has had an opportunity to look down to the third or fourth paragraph, he will see the farm access road that I talk about.

Mr. Speaker, I say to him, by way of supplementary, that there is another project that I cannot seem to find, either in that statement or any of the others that I have here that the minister or the Minister of Environment's predecessor has put out in recent time. There is another project, and I want the Premier, if he would be good enough, to inform the House why the process being followed in the case of a farm access road from the access highway to Argentia to a piece of farm land owned by Woodman Brothers, of inviting public comment with a view to having a full environmental statement if necessary, was not followed in the case of the Sprung project?

SOME HON. MEMBERS:
Hear, hear!

MR. SPEAKER:
The hon. the Premier.

PREMIER PECKFORD:
Mr. Speaker, I will have to wait until I get the information, but there might have been several people - it might have been Forestry, it might have been Wildlife - here who had concerns, or people who are into cutting wood. There might have been wood being cut along where this road was due to go. It might have been because of wildlife. There are numerous reasons why this might have been called for public comment, as opposed to the Sprung project which is in an agriculturally zoned area. I mean, Mr. Speaker, one has got to recognize that the land on which the Sprung project is located was already zoned agricultural, and therefore fitted naturally into that piece of land. Here obviously there must have been some concern about wildlife or forestry or some other reason. But in any case I will get the information for the hon. member. I would be only too happy to do so.

MR. SIMMONS:
Mr. Speaker, I have one other supplementary.

MR. SPEAKER:
The hon. the member for Fortune - Hermitage, a final supplementary.

MR. SIMMONS:
I thank the Premier because he is right, there are some good reasons. The number one reason he will be aware of. It is called The Environmental Assessment Act. On that project, the Woodman Brothers road, public comment is being invited because the act

requires the minister to invite public comment. That is the main reason.

Insofar, Mr. Speaker, as the comment about wildlife is concerned, he can characterize the people how he wishes, but I am thinking about another kind of life in Mount Pearl.

MR. SPEAKER:
Order, please!

MR. SIMMONS:
Mr. Speaker, here is a project costing us \$13.4 million, a project who lighting is affecting the domestic routine of hundreds of households, whose presence -

MR. WINDSOR:
It is not affecting it.

MR. SIMMONS:
Not affecting it at all?

MR. WINDSOR:
You cannot say that.

MR. SIMMONS:
Not affecting it.

MR. SPEAKER:
Order, please!

MR. SIMMONS:
Mr. Speaker, its presence so near to a concentrated residential area in the city of Mount Pearl is raising legitimate questions about the impact on property values.

Mr. Speaker, in light of that I ask the Premier how can he justify no public say on Sprung, while that same public gets to say all it wants on a farm access road. I ask the Premier, Mr. Speaker, will he now agree to recognize the blunder committed by the former Minister of the Environment and would he now take steps to allow

the public the same scrutiny of an enterprise which threatens the pocket books of hundreds of property owners in the Mount Pearl area as the public has over a farm access road?

SOME HON. MEMBERS:
Hear, hear!

MR. SPEAKER:
The hon. the Premier.

PREMIER PECKFORD:
Mr. Speaker, that is silly and foolish, the silliest, most foolish thing I have ever heard the hon. member get involved in. He knows better. The land had already been zoned agricultural. They went through a process years ago when they were talking about zoning land. Some was zoned residential, some was zoned commercial, some was zoned industrial and some was zoned agricultural. This land was zoned years ago under hearings that were held all over the Northeast Avalon, and over and over and over again, Mr. Speaker.

MR. SIMMS:
It was registered, with no interveners.

PREMIER PECKFORD:
Does the hon. member for Fortune - Hermitage categorize cucumbers and tomatoes as being agricultural or does he not?

Mr. Speaker, this is a clear case of somebody trying to create a mountain out of a mole hill. This has been zoned agricultural through the zoning process and the project was registered.

MR. BUTT:
And nobody had any concerns. No way.

PREMIER PECKFORD:
It was registered, the minister says.

MR. BUTT:
Right.

PREMIER PECKFORD:
It was registered in the same way as this one is registered.

MR. BUTT:
Why did you not respond?

MR. SPEAKER:
Order, please!

MR. BUTT:
It was registered.

MR. SIMMS:
A good question.

PREMIER PECKFORD:
Was it put out the same way as this one was?

MR. BUTT:
Exactly. Yes.

PREMIER PECKFORD:
It was put out exactly the same way as this one was, so says the former minister who was there, and nobody had any concerns, besides which it was zoned agricultural in the beginning. So on both points, Mr. Speaker, the member is chasing after rainbows. Not cucumbers and tomatoes, he is chasing after rainbows. And there is no pot at the end of the rainbow for the hon. member, he comes up empty again, Mr. Speaker. He comes up empty. One of these days he may come up as a cucumber. Who knows?

MR. SIMMONS:
A final supplementary, Mr. Speaker.

MR. SPEAKER:
Order, please!

What we have been doing in the past is having the main question, a supplementary, and a final supplementary. I know there is no rule to that effect, but I think that we will adopt that and I will recognize the hon. the member for Menihek.

MR. FENWICK:

Mr. Speaker, my questions have to do with the situation concerning Easteel Industries and its recent bankruptcy, or at least the recent moving into receivership of the operation. The first part of the question is for the Minister of Finance.

If I recall correctly, last year in this House we passed legislation securing loans to the tune of approximately \$2 million or so for Easteel Industries. It is my understanding that those loans have grown considerably. Could the minister give us some indication of the total amount of loan guarantees we now have on the Easteel operation, and any estimate he may have on how much we may be able to recover from that particular operation?

MR. SPEAKER:

The hon. the Minister of Finance.

MR. WINDSOR:

Mr. Speaker, I had some notes here on it. I thought I had the final numbers, but I do not. Obviously, we do not know exactly what the recovery will be. That depends, obviously, on what is realized on any potential sale of the facility, so it is impossible to know. I will undertake to get the detailed number for the hon. gentleman during the course of the afternoon, but let me say that it is not a large amount.

MR. FENWICK:

A supplementary, Mr. Speaker.

MR. SPEAKER:

A supplementary, the hon. the member for Menihek.

MR. FENWICK:

A supplementary also for the Minister of Finance: It is my understanding that the loan guarantee limit that we authorized in this legislature last year is considerably higher now as a result of Orders in Council. Could the Minister of Finance indicate to us when were these extra loan guarantees put in place and why were not these loan guarantees used as a means of leverage on the management of the company in order to try to effect a settlement of what became a very prolonged labour dispute and eventually led to the collapse of the industry itself?

MR. SPEAKER:

The hon. the Minister of Finance.

MR. WINDSOR:

Mr. Speaker, certainly, again, I will undertake to get the details of that for the hon. gentleman. Let me say that the amounts that we had involved here certainly did not give us any leverage that would be necessary to deal with this issue. What we are talking about here is a labour dispute, and I do not think we should be using financial considerations to deal with a labour problem, Mr. Speaker, a legitimate labour problem between a company and their union.

MR. FENWICK:

A final supplementary, Mr. Speaker.

MR. SPEAKER:

A final supplementary.

MR. FENWICK:

In the collapse or the movement of into receivership of the company, there was also a number of employees, management and replacement workers, it is my understanding, who were owed several weeks pay at the time the organization collapsed.

As a related question to the Minister of Labour (Mr. Blanchard), could he give us some indication of what progress is being made on making sure that these individuals will receive the funds that are due them? And as a related question, how good is our legislation in ensuring that workers of bankrupt companies or companies that go into receivership, eventually get paid? What kind of security do they have to make sure that their salaries will eventually be paid?

MR. BLANCHARD:
Mr. Speaker.

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

MR. BLANCHARD:
Mr. Speaker, that is a multifaceted question, really, that the hon. member is asking. But my first response is that our Labour Standards people have been working diligently to try to advance the cause of the worker. We have a provision in The Labour Standards Act where the wages of the worker has priority up to an amount of \$2,000 over the claims of all others in the case of bankruptcy or insolvency.

Now we were told that the bankruptcy legislation, which is federal, may supercede the provincial legislation. There is a whole problem here, Mr. Speaker, as to whether we can succeed in court by having the \$2,000 owing

to each of the workers take precedence over that legislation. But I can assure the hon. member that we have worked and still are working on it. We have met with some of the employees concerned. There has been a delegation representing the employees that came in and I met with them. My deputy has met with them. I can certainly assure the hon. member that we are working in the interest of the employees and we are seeking legal advice on the whole question.

MR. GILBERT:
Mr. Speaker.

MR. SPEAKER:
The hon. the member for Burgeo - Bay d'Espoir.

MR. GILBERT:
Mr. Speaker, I have a question for the Minister of Transportation (Mr. Doyle). The minister has admitted in the media that the Auditor General was correct in a statement concerning planning by the Department of Transportation. He also promised to bring in new guidelines and procedures for identifying and prioritizing road improvement and construction in this Province. Now would the minister, in the interest of fairness, strike an all party committee of the Legislature to see that these guidelines are put in place?

MR. DOYLE:
Mr. Speaker.

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

MR. DOYLE:
Mr. Speaker, I indicated yesterday in the media that the department is in the process of developing a

long-term plan which will identify all of its requirements for the construction and upgrading of roads in the Province. We already have a firm policy in place, albeit it is not written down, but we do have a firm policy in place which sets out the reasons why certain roads or certain construction projects are undertaken.

Mr. Speaker, the process has worked quite well for a number of years, and when we get the policy written down I cannot see why it will not work in the future.

MR. GILBERT:
A supplementary, Mr. Speaker.

MR. SPEAKER:
A supplementary, the hon. the member for Burgeo - Bay d'Espoir.

MR. GILBERT:
That is a matter of opinion, as to how it worked, Mr. Minister.

I wonder will the minister then give the House assurances that he will not seek block funding from this House, but will bring in a list of specific projects to be approved by members of the Legislature?

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

MR. DOYLE:
Mr. Speaker, each year there is block funding put in place for the various departments of government, and Cabinet, through a prepared list which comes up from the officials within the department, makes the decisions on what construction projects are going to be undertaken. As I indicated to the hon. gentleman a few minutes ago, Mr. Speaker, the process has

been working quite well for a number of years and I have no doubt it will continue to work very well in the future.

MR. GILBERT:
A supplementary, Mr. Speaker.

MR. SPEAKER:
A final supplementary, the hon. the member for Burgeo - Bay d'Espoir.

MR. GILBERT:
As I said, Mr. Minister, I do not know for whom it is working. It is not for us.

Mr. Minister, I wonder are you admitting to the House that you are going to allow the Round Pond roads of this world to continue at the expense of other people in the Province who are at the mercy of this government because of the way they voted? Is that what you are going to do?

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

MR. DOYLE:
Mr. Speaker, I do not know if that particular question deserves a response. This department, Mr. Speaker, receives many hundreds of millions of dollars worth of requests each year, and the process of trying to assign projects is a very, very difficult one. Mr. Speaker, each year, as I said, we do the very best we can with the amount of funding that we have in place.

MR. W. CARTER:
Mr. Speaker.

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

MR. W. CARTER:

Mr. Speaker, my question is to the Minister of Fisheries (Mr. Rideout).

Mr. Speaker, as unbelievable as it is, today in this Province a Newfoundland fisherman cannot obtain a license to hunt seals. It is a federal regulation, Mr. Speaker, that prevents a Newfoundland fisherman from pursuing that occupation. Now, a lot of us have made representation to Ottawa, Mr. Speaker, to have that regulation rescinded. Probably the minister has too. I heard indirectly that maybe a change of policy is about to take place. I wonder can the minister tell the House if, in fact, that regulation will be rescinded and if, in fact, Newfoundland fishermen will be able to pursue an occupation that has been pursued by their forefathers now for centuries?

MR. SPEAKER:

The hon. the Minister of Fisheries.

MR. RIDEOUT:

Mr. Speaker, first of all let me say that I do not think there is any disagreement between any of us over the fact that an archaic regulation presently is in place which says that if a person did not have a sealing license at some point during the last three years they are not permitted to get a license. Obviously that is not a regulation or a policy that we support, nor does the hon. gentleman and his party; therefore, we have made representation to the federal minister. I know that the policy is presently under review. I am optimistic that there will be an announced change in that policy, in that regulation relatively soon, but it is not for me to say

how soon that will be, whether it will be tomorrow, next week, or whatever. I can reconfirm to the hon. gentleman that all of us, including him, as I know, and those of us on this side of the House support a change that is in the best interest of the fishery and the sealing industry in Newfoundland and Labrador.

MR. W. CARTER:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Twillingate.

MR. W. CARTER:

I wonder, in light of the fact that the seal fishery is about to take place, the time is at hand, if changes are going to be made they should be made now, would the minister undertake to contact his federal counterpart, today if he can, and to advise him that that policy is totally unacceptable in this Province? It is an insult to Newfoundlanders and one that we should not have to put up with from our national government, would he, on behalf of the members of this House and Newfoundland generally, demand that that regulation be rescinded immediately in time for Newfoundland fishermen to be able to take advantage of the seal fishery this year?

MR. SPEAKER:

The hon. the Minister of Fisheries.

MR. RIDEOUT:

Mr. Speaker, the position that we have put forth to the federal government is that any bona fide fishermen ought to be entitled to receive a license to participate in the seal fishery, whether or not he has had a license in the last three years as required. I

have done that verbally, I have done that in writing, I have done that within a recent day or two in just as strong a language and with as much conviction as has the hon member. I am optimistic. I am not certain, but I am optimistic that the federal minister will listen.

MR. W. CARTER:

A supplementary, Mr. Speaker.

MR. SPEAKER:

A final supplementary.

MR. W. CARTER:

I thank the minister for his answer. I think he is doing his best to get that policy changed. Would the Premier, then, use his considerable influence on our representative in the federal cabinet, Mr. Crosbie, on Mr. Siddon, and maybe on the Prime Minister to have that regulation changed? A lot depends on it. Maybe the Premier would agree to an all party resolution from this House to that effect. I am sure, on this side, we would gladly support that kind of an effort on his part.

PREMIER PECKFORD:

Absolutely! 100,000 per cent, Mr. Speaker.

SOME HON. MEMBERS:

Hear, hear!

PREMIER PECKFORD:

I agree with everything the hon. member said. The first time I went sealing was about 1961, as I was telling someone a couple of hours ago, down off Cape Charles on the Labrador Coast. We were talking about the same thing that the hon. member asked the minister about, an all party resolution. We talked to Mr. Crosbie and Mr. Siddon about this already, I have

and the minister has. And anything that would further this being changed, along the lines that both hon. members have spoken, that we can do here in this House, let us do it immediately.

MR. SPEAKER:

The hon. the member for Eagle River.

MR. HISCOCK:

Mr. Speaker, I am glad that the Premier mentioned Cape Charles down on the Labrador Coast and the high cost of living there, particularly as he was down there last year.

My question, Mr. Speaker, is to the Minister of Consumer Affairs (Mr. Young). A report has been prepared for the Department of Energy by the Newfoundland Statistics Agency of the Executive Council called Cost of fuel and utilities in Newfoundland and Labrador 1987. This report points out the difference in prices in our Province for diesel fuel, furnace fuel, electricity, and gasoline.

MR. SPEAKER:

Order, please!

Would the hon. member ask his question.

MR. HISCOCK:

My question to the Minister of Consumer Affairs is: Considering stove oil on the Labrador Coast is 37.7 per cent higher than in the rest of the Province, and considering gasoline on the Labrador Coast is 26.6 per cent higher and electricity has gone up on the Labrador Coast 243 per cent since 1945, what action has the Minister of Consumer Affairs taken to correct these gross

inequalities in prices and the cost of living on the Labrador Coast as compared to the Island part of our Province?

MR. SPEAKER:

The hon. the Minister of Consumer Affairs and Communications.

MR. YOUNG:

Mr. Speaker, the hon. member should realize that the difference in the cost of fuel on the Labrador Coast, or quite a bit of it, is due to transportation. Mr. Speaker, overall the cost of fuels in the Province has decreased from about 8 per cent to 14 per cent since 1986.

MR. HISCOCK:

A supplementary, Mr. Speaker.

MR. SPEAKER:

A supplementary, the hon. the member for Eagle River.

MR. HISCOCK:

Stove oil on the Island is 35 cents. In Labrador it goes up to 48 cents. Gasoline goes as low as 56 cents on the Island, and up to 71 cents in Labrador. I do not think that is necessarily transportation.

My question to the minister, and I have brought this up before to the Premier, is: Will the minister introduce a study to find out if it is transportation? We know that this Province puts twenty-nine cents per gallon tax on gasoline. We also know that the federal government puts fourteen cents per gallon on gasoline. Will the minister even entertain the thought of dropping the provincial gasoline tax on the price of gasoline and stove oil down on the Labrador Coast?

MR. SPEAKER:

The hon. the Minister of Consumer Affairs and Communications.

MR. YOUNG:

Mr. Speaker, to answer the hon. member's question, I have no authority whatsoever to reduce taxes on fuel or anything else. But I must add, Mr. Speaker, that prices are more or less governed by competition. I think, as there is not much competition on the Labrador Coast, he should get out to his great friend on the Labrador Coast and probably he will decide to reduce some of his profits. It might make it much cheaper for the people on the Labrador Coast.

MR. HISCOCK:

A final supplementary, Mr. Speaker.

MR. SPEAKER:

A final supplementary, the hon. the member for Eagle River.

MR. HISCOCK:

I am amazed that a minister of the Crown and the Premier can just slough this off and say the increased costs are due to transportation, and then the minister suggests that a member should bring it up with a private business. My question is: Since stove oil is 37 per cent higher and 26 per cent higher, I want to know why? The minister and the Premier have all authority to have studies done and have money spent on limousines and apartments and so on. I ask the minister again, will he at least introduce a study, in co-operation with the Minister of Northern Development (Mr. Warren), to find out why the price of fuel and gasoline and stove oil on the Labrador Coast is so high? Or is he taking the attitude of just forgetting about them because they happen to be in a Liberal district?

SOME HON. MEMBERS:

Hear, hear!

MR. YOUNG:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Consumer Affairs.

MR. YOUNG:

No, no, Mr. Speaker.

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

Order, please!

MR. YOUNG:

No, Mr. Speaker. Since I have been in Cabinet I do not think I ever go on in a partisan manner. Mr. Speaker, I will take it up with the hon. Minister responsible for Northern Development. I also say, Sir, again, that the wholesale prices of gasoline and fuel oils in this Province are just about equal everywhere apart from transportation. And if the retailer charges excess profit, I am sure that is the responsibility of the retailer, and I do not feel that government should be interfering with competition in our Province.

MR. SPEAKER:

There is just time for one question and answer.

MR. LONG:

Mr. Speaker.

MR. SPEAKER:

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

MR. LONG:

Mr. Speaker, if we have time for just one question then I will try and make my preamble as brief as

possible, but my question is for the President of Treasury Board (Mr. Simms). It is in light of legislation that has been introduced, or promised in the Provinces of P.E.I., Nova Scotia, Quebec, Ontario, and Manitoba, and rules that have been brought in by the Federal Government to govern the principle of equal pay for work of equal value in the public service. And in light of very critical negotiations that are presently ongoing in the health sector in this Province, both with the nurses and the government's own public employees, I would like to ask the President of Treasury Board if he could relate to the hon. House whether the government is approaching these negotiations with a commitment to the principle of equal pay for work of equal value in the public service?

SOME HON. MEMBERS:

Hear, hear!

MR. SIMMS:

Mr. Speaker.

MR. SPEAKER:

The hon. the President of the Council.

MR. SIMMS:

Well, Mr. Speaker, as the hon. member has indicated himself this is a matter that is being debated at the table. And I am sure, if he is to be a member of a government in the future, he would not want to discuss and negotiate in public those kinds of issues. So I cannot respond directly to his question. That is a matter that will be dealt with at the bargaining table.

I can tell him this, however, that the government accepted the Task Force on Affirmative Action not too long ago. One of the

principles outlined in that Task Force Report had to do with pay equity, as it is more commonly referred to now. The first phase of that deals with a classification pay system that is gender biased. We have done that now, for example, with respect to the management end of the public service. We are looking at next doing it for the bargaining units. I can only tell the hon. member that we are fully aware of the issue. We are aware of the issue being raised at the negotiating table. And this government will approach the issue with an open mind, with a view to trying to work out and resolve any negotiations we have with any of the bargaining units, with the ultimate objective of attaining a collective agreement.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

The time for Oral Questions has elapsed.

Presenting Reports by
Standing and Special Committees

MR. SIMMS:

Mr. Speaker.

MR. SPEAKER:

The hon. the President of the Council.

MR. SIMMS:

Mr. Speaker, it is not really the appropriate time but perhaps the Opposition House Leader would be prepared to discuss it, and maybe the members opposite.

SOME HON. MEMBERS:

By leave.

MR. SPEAKER:

By leave.

MR. SIMMS:

I would like to pick up on the point raised by the member for Twillingate (Mr. W. Carter) with respect to all party resolution dealing with the sealing issue. Even though this is Private Members' Day, this side will be quite prepared to agree to having a member from the three parties get together, draft something, and perhaps bring it back to the House before the House closes for the day. We would be more than willing to deal with the matter today before the House concludes, if the Opposition Leader and the other party would agree.

MR. TULK:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Fogo.

MR. TULK:

We have very little problem with that. As a matter of fact, I might suggest that the critic for Fisheries on our side and perhaps the Minister of Fisheries and whoever the other crew down there decides to take might meet and if they can come up with an acceptable resolution among the three of them, it could be passed rather quickly in the last ten or fifteen minutes of today's sitting.

MR. FENWICK:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Menihek.

MR. FENWICK:

Mr. Speaker, last year we were the Socialist hoards from that side over there and now we are the hon. crew from this side over here. On

our behalf, Mr. Speaker, we will be quite happy to take part in a small committee like that to draft a resolution along the lines as suggested by the member for Twillingate.

MR. SIMMS:

I guess it is clear, Mr. Speaker, the member for Twillingate, the Minister of Fisheries, and whoever the hon. crew over there designates will meet. The last fifteen minutes of the day, if they agree with the wording of the resolution, obviously, we will deal with this particular resolution.

MR. WINDSOR:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Finance.

MR. WINDSOR:

Mr. Speaker, I have the pleasure of tabling some thirty Special Warrants which I know hon. gentlemen opposite are sitting and waiting patiently for. There are explanations included, Mr. Speaker.

I would just like to highlight a couple of the items. I will not go through all of them because it would take too long. There are such items as the funding of the Expenditure Review Committee, which has done some very valuable work for government; increased activity at Government House, particularly in preparation for the Royal Visit expected in 1988; the Province's participation in the Inshore Herring and Mackerel Assistance Program which was very important and widely accepted by the fishing industry; operations of the Labrador fish plants, strangely enough, as the fortunes of the fish plants improve, it costs us more money in the initial

stages; extra funding for the Fisheries Loan Board relative to construction of large fishing vessels, since we have seen such a growth in that industry; extra expenditures, extraordinary costs associated with forest fire suppression, since we had an extremely heavy year, I might add, Mr. Speaker, and the Minister of Forestry will tell you that because of the additional water bomber fleet, even though our costs went up and we had more fires in previous year, the loss of timber to two forest fires was greatly reduced; funding to reactivate Newfoundland Zinc Mines in Daniel's Harbour, another great initiative of this government; additional funds for the Rural Development Authority Incentive Loans Program because of the increased amount of activity in that area; additional funding for the Farm Development Loan Board, again being very widely utilized; cash flow requirements relative to the Central Newfoundland Hospital because that project is ahead of schedule, and so we had to simply move money from next year to this year; increased costs in services to the mentally handicapped through the Department of Social Services, 50 per cent recoverable; and employment of approximately 1,200 social assistance clients under the Community Development Programme. We had to allocate extra money to that and we also had to allocate extra money for the social assistance payments, again 50 per cent recoverable.

So I take great pleasure in tabling this wealth of information.

Notices of Motion

DR. COLLINS:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Health.

DR. COLLINS:

Mr. Speaker, I give notice I will on tomorrow ask leave to introduce a bill entitled, "An Act to Amend The Nursing Assistance Act", and "An Act To Amend The Hospitals Act, 1971."

MR. WINDSOR:

Mr. Speaker.

MR. SPEAKER:

The hon. the Minister of Finance.

MR. WINDSOR:

Mr. Speaker, I give notice I will on tomorrow ask leave to introduce a bill entitled, "An Act To Amend The Public Utilities Act." I also give notice that I will on tomorrow ask leave to introduce a bill entitled, "An Act To Amend The Newfoundland And Labrador Hydro Act, 1975."

Answers to Questions
for which Notice has been Given

PREMIER PECKFORD:

Mr. Speaker.

MR. SPEAKER:

The hon. the Premier.

PREMIER PECKFORD:

Mr. Speaker, I hope the press are all in their places. I would like to give some information that was asked of the government and of me, in particular, yesterday as related to the Sprung project and its status to date. The Leader of the Opposition asked for this and I am pleased to provide him with this information.

May I point out that this information indicates that the Leader of the Opposition in his comments to the public of Newfoundland and Labrador last night and this morning were erroneous; they were incorrect in talking about the fact that the Sprung Group of Companies had no money to date in the project at Mount Pearl when, in fact, they have almost four million dollars, which I will table to prove it.

The status of the project is that Zone 8 - the production zone that is now operating is classified as Zone 8 - it is already planted, as we all know, and it is producing eight to ten thousand cucumbers a week to the Newfoundland marketplace and very soon we will be, of course, producing more and exporting it to Eastern North America and Central North America. Zone 8 has half cucumbers and half tomatoes. Next week, we will have a limited amount of tomatoes in the market, by the way. That is Zone 8. So that is already built and in production, half of it into cucumbers and half of it into tomatoes. Zone 1, a second zone, will come on on or about the March 21. Today is March 16, so in a few days we will have a second zone in production. Zones 2, 3, and 4 will come on production on April 11, on or about April 11; it could be the tenth, could be the twelfth, but around that period. Zone 5 and Zone 6 will come on around April 25 and Zone 7 and Zone 8 will come on around May 9, and I mentioned Zone 8 again because once all the zones are up, it will be Zone 7 and Zone 8 that will be exclusively into tomatoes and the other zones will be exclusively into cucumbers, and then we will be away to the races.

Further status on the project: The construction currently is about 94 per cent complete. Progress payments totalling \$13,692,600 have been made to date on a total construction contract of \$14,500,000. So, as you can see, it is 94 per cent - \$14,500,000.00 is the construction contract and \$13,692,600.00 has been paid. Payments to date have been financed as follows:

Government's equity, through the Newfoundland Industrial Development Corporation (NIDC), is \$3.5 million, which was made known. This is information that has been available to the press for the last several months, because we released all of this to the public at the time when we did the deal; this is no new information. The Government equity is \$3.5 million.

The Sprung equity is \$3.5 million, which is now into the project, contrary to what the Leader of the Opposition said yesterday and this morning and no doubt, he will want to get up and apologize to the people of Newfoundland because he has made an incorrect statement. It is \$3.5 million equity from the Sprung Group of Companies which is in the project now, today.

The loan guarantee to Newfoundland Enviroponics is now up to \$6.2 million. The loan guarantee's total is \$7 million and the Sprung guarantee of a half million, is up to \$446,200. So, I was also wrong this morning when I corrected the Leader of the Opposition. I said that Sprung had \$4 million in the project as of today. I was wrong, it is \$3,946,200.00. I was out by a little tiny bit; it was just below 4 million. I should have said 3,946,20. I was out by a couple of thousand dollars.

The total project costs are estimated as follows: The construction contract is \$14,500,000. The lights are \$3 million and the R.S.T. Deferral, this is not a grant from the taxpayers of Newfoundland to the project, it is a deferral that which we get back in shares in the company which then have to be paid to us, so that is not part of any sinister plot to try to somehow give out money from the taxpayers illegally or in some weird and wonderful way.

So that is where the project stands to date, Mr. Speaker, and I table this information in writing to the Leader of the Opposition, to members Opposite so that they have full and complete information on where the projects stands to date.

Secondly, Mr. Speaker -

MR. SPEAKER:
Order, please!

I would like to draw to the attention of the House that it is now four o'clock and leave is required.

SOME HON. MEMBERS:
By leave.

MR. SPEAKER:
By leave, the hon. the Premier.

PREMIER PECKFORD:
I will be very quick. The information on the Super Pumas Helicopter Flight Simulation Centre is here. We can go beyond six whatever time I take so that we do not take any hon. private member's time. I would be agreeable to that.

MR. WELLS:
I would like to have the

construction contract though.

PREMIER PECKFORD:

The contract itself.

MR. WELLS:

The construction contract.

PREMIER PECKFORD:

You did not ask for that. You asked for a status report on the construction.

SOME HON. MEMBERS:

Oh, oh!

PREMIER PECKFORD:

First it could not produce and now it is producing. Now it seems like it is going to work and I wonder how much more information we are going to need. There was no money into it from Sprung yesterday. He now agrees on that one but now give me the construction project. Give me the contract, Mr. Speaker! I want to see it all! I want to see it all!

SOME HON. MEMBERS:

Hear, hear!

PREMIER PECKFORD:

We want a marketing contract for Baie Verte Mines Limited where every ounce of asbestos was sold overseas and for the fluorspar mine in St. Lawrence. Give it all to them, Mr. Speaker.

Anyway, to get back and be relevant, the Super Puma Helicopter Flight Simulation Centre, I have detailed material here on that which, I think, the member for Menihek (Mr. Fenwick) will be very interested in seeing. I am also sure the press will too and they will carry it exhaustively in their television and radio broadcasts of this evening, and the papers will be inuneated with this wonderful new

high tech opportunity for the Province, which by the way, has a provision in there which, before any of our money flows, they have to put their money up front. Secondly, they have to allow this new simulator to be used by the Cabot Institute in training young Newfoundlanders on this thing before we give our money so that it becomes a training institution attached to the Cabot Institute, plus a whole range of other conditions which means that we will be, not only the cucumber capital of the world, but the helicopter capital of the world.

SOME HON. MEMBERS:

Hear, hear!

MR. SIMMS:

The Super Puma capital.

MR. SPEAKER:

Order, please!

Today is Private Member's Day and I now call on the hon. member for Burgeo-Bay d'Espoir.

SOME HON. MEMBERS:

Hear, hear!

MR. GILBERT:

Thank you, Mr. Speaker.

This resolution that we have on is rather lengthy and it is very important. The first WHEREAS I would like to read and it says:

"WHEREAS all published reports indicate that the Federal and Provincial Governments are about to agree upon the discontinuance of the railway in Newfoundland".

I know, Mr. Speaker, that someone over there when they start to speak are going to say this is a supposition we started off from and there is no proof that there

is any serious negotiations going on but, the only thing is that this WHEREAS raises a very serious consideration; a very serious question.

Are we going to consider what is going on? Is there a secret deal being negotiated between the provincial government and the federal government concerning the sale of the railway? There have a lot of signs and indications out there that yes, possibly there is.

We have heard the President of Marine Atlantic insinuate that he is expecting an increase in freight being trucked across this Province. Private enterprise are already planning and some of them have already established things to set up container freight terminals in Corner Brook. When you hear the President of Marine Atlantic, Mr. Tingley, make statements that he is expecting the truck transport to increase, you see movement by private enterprise to establish other centres for freight coming into the Province other than St. John's; and then, the continual rumors the media put forth makes one very suspicious. The question again is: Are there secret negotiations going on?

The Leader of the Opposition has written the Premier and also Newfoundland's representative in the Federal Cabinet and he has not really received any direct answers. There has been some kind of veiled answers that there are no firm negotiations going on, but there is. No one has outwardly denied that there is not some type of negotiations now in progress between the federal and provincial governments concerning the operation of the Newfoundland Railway.

A story on February 13 in one of the Toronto papers said that a team of officials from the federal government have been examining the finances of the services with a view to possibly allowing CN to withdraw its Newfoundland services, and Ottawa would give Newfoundland a sum in billions of dollars for road upgrading.

Mr. Speaker, if these negotiations are indeed ongoing, why the secrecy? Why not tell the people of the Province that talks are ongoing concerning our transportation system? Why hide it? Everybody is aware that the railway is not providing an efficient service; we are quite aware of the fact the the railway is not providing an efficient service.

Mr. Speaker, I will point out to you that the people of Newfoundland are not fools, they know. They will know when they hear all the points I have just raised, the rumors that are around, they know, to use the old Newfoundland expression, where there is smoke there is fire. I am telling you right now, when they find out how much the fire really is, there will be a lot of numbers gotten, I assure you, Mr. Speaker.

Mr. Speaker, there is a group of people in this Province who are very concerned today, more than the ordinary people in the Province. We are all concerned because our transportation system is at stake here, but there is a group of people that are very concerned today and they are a dying breed, I might add Mr. Speaker, because in 1949 there were thirty-eight hundred of them in this Province. Right now they are down to seven hundred, and,

they are the railway workers. They have lived in dread for the last ten years as to what exactly is going to happen to their jobs. The transportation system in Newfoundland is secondary to them. Their jobs are the most important thing to them.

It is sort of coincidental I heard on the news this morning that one of those private enterprises that have to set up there container terminal in Corner Brook are having a cocktail party this afternoon introducing the business people of Newfoundland to the new service that they have initiated or reinstated. I say if I were a railway worker in Port aux Basques I would be very concerned about that this evening because my job would be in jeopardy. I can assure you that it is good for the people of Corner Brook. The only thing that I say right now is to with the suspicion, the rumour and the talks of negotiations between the provincial and federal government, the railway workers are very concerned.

If there is a sellout and the provincial government is going to make a deal for billions of dollars to finance a road's programme in Newfoundland, what is to stop Marine Atlantic, Mr. Tingley, from saying it is more cost efficient right now to bypass Port aux Basques and come on into St. John's or come to Corner Brook with his freight. I think this is the thing that those railworkers have a very serious concern over.

Many of them have spent their lives working with CN. Many of them are middle aged or older. They wonder, with the bumping system that is in place in their union, will they end up being transferred to Montreal' or

Toronto? Maybe even as far as Calgary they might be bumped, from where the Premier was going to bring people home in 1982. These poor workers that have not been told what is going on might end up out in Calgary.

What those people who work with CN would like to know, Mr. Speaker, is if there are negotiations ongoing. They would like to know what their future is and where they stand. They would like to know first.

They have tried to contact members opposite, the government, to find out if there is anything to this, if there is any fire to this smoke that we are seeing and they cannot seem to get an answer. I say to you that those people deserve an answer.

The people of Newfoundland also demand to know what is happening to their transportation system. Is it going to be sold for a lump sum payment? In this resolution, which we put forward, we raise many questions. But the most important matter that we raised is to ensure that the rights which were given to Newfoundlanders at the time of Confederation, the rights guaranteed in Term 31 of the BNA Act, are not bartered away for a lump sum payment so that the funds can be used to finance an election. That is the base, crass, political realization of what could be happening and why the secrecy is there.

We would say that any lump sum payment would have to be considered as sort of - you could even use this phrase maybe - short-term gain for long-term pain. If you took \$800 million or \$1 billion, again I say, it could be considered a short-term gain

for long-term pain, Mr. Speaker. That to me is what the Premier and his people are possibly trying to do to the people of Newfoundland by accepting a lump sum payment now in exchange for a transportation system.

Is the Premier afraid to tell the people of Newfoundland that he is going to sell the railway for millions of dollars so that he can finance an election? Is this the reason for the secrecy? Is this why the people of Newfoundland and Labrador are not being informed? Are these negotiations considering the people of the Province or is it a further exercise in considering dollars and cents?

Mr. Speaker, at the time of Confederation, Term 31 in the BNA Act says, "At the date of union or soon thereafter as practical, Canada will take over the following services, and will, as from the date of union, relieve the Province of Newfoundland of the public cost incurred in respect of each service taken over mainly," and it starts: "(a) The Newfoundland Railway, including steamship and other marine services."

As you can see, Mr. Speaker, there is no doubt about who is supposed to operate and maintain the Newfoundland portion of the national transportation system. Because even though in Term 31 it refers to the Newfoundland railway, in actual fact the Newfoundland railway was the only transportation we had in Newfoundland at the time of Confederation. It was the train from Port aux Basques to St. John's, and then we had a marine coastal service that went into the places that were not connected up with roads. There were no roads

to the outlying areas of Newfoundland and the only transportation system, as I say, was the railway. This is why that was specified in Term 31, rather than saying a transportation system.

We maintain on this side, Mr. Speaker, that entrenched in the BNA Act is a guarantee that the federal government will pay for the cost of a transportation system for the Province of Newfoundland.

Mr. Speaker, we also know that over the past ten or fifteen years the service has been downgraded. I would like to make a few remarks now about a service that has virtually disappeared. That is the marine service.

MR. TOBIN:

How many cars do you bring in by railway?

MR. SPEAKER:

Order, please!

MR. GILBERT:

Mr. Speaker, the marine service is the thing that has disappeared since Confederation. As the roads went in, we can say, the boats went out. This, Mr. Speaker, might be right and proper, but now who pays for this service, this service which was constitutionally guaranteed to us under the Terms of Union. It was a federal responsibility.

Mr. Speaker, the question now is whether this was a good deal. When we hear the government talking about a deal with Newfoundland and that the provincial government is making a deal with Ottawa, it always smacks to me of the situation where people play poker in that somebody

loses. I wonder in the marine deal that we have who won and who lost.

I would submit to you, Mr. Speaker, that it was the taxpayers of Newfoundland who lost, because I have a feeling right now if we were to look into this we would find that most of the expenses for the operation of the marine service in Newfoundland have now been transferred to the taxpayer of Newfoundland.

I have here a letter from the Minister of Transportation where he tries to justify the raising of the rates on the Grey River/Ramea/Burgeo ferry. He states that it is going to cost his department about \$1,972,000 for the operation in the fiscal year 1987-88. The estimate for the marine operation for his department for this fiscal year, 1987-88, is \$10,675,200. Now, there is an interesting point to that.

I have checked with the federal Department of Transport and they tell me that the federal grant that was in place when the Province took over the operation of this provincial ferry system in 1984, I believe, which was paid up until 1986-87, at which time the total cost to operate the marine intraprovincial ferry service - that means the ones between Ramea, Burgeo, Fogo and Change Islands - was \$9,165,100 for that fiscal period. Now, these figures were given to me by the federal department. That comes from the estimate of the department, the \$9 million, but the federal government provided a grant that year of \$2,361,685. That tells me that we, the taxpayers, are on the hook for about \$6 million in the last year there was a grant.

This year, according to the figures again, the grant blew away in the 1986-87 fiscal year, so it means that the \$10 million that the minister referred to in his letter is now certainly a cost of the provincial government.

Mr. Speaker, we thought that the Dutch people got a good deal when they bought Manhattan Island. I can assure you that it is no wonder after the sort of deal we have seen on the marine, if this is the actual fact of what happened in the marine ferry transfer from the ferry government to the provincial government, there is no wonder right now that the federal government want to conclude a deal with the provincial government. And there is no wonder they want to negotiate in secret. What else has Newfoundland got to give to keep the hon. members opposite in power? There must be a different way to do this, Mr. Speaker, then to transfer the cost of the operation of our transportation system to the taxpayer of Newfoundland.

It is no wonder the minister has to write me and tell me he is going to increase the cost of a man, his wife and three children to go from Ramea to Burgeo for a day with their car. It will cost them \$60 to go over nine miles of water. No wonder he has to do it because we have broken every rule that was there. The British North America Act guaranteed that the federal government was going to provide a transportation system for Newfoundland. Now, by the action of the government, maybe someone in the Department of Transportation wanted to be an admiral and that is why he wanted to take over the ferry system in Newfoundland so that he could say,

'We now have an assistant admiral, or we have an admiral.' Maybe that is the reason but it is now costing the people of Newfoundland \$10 million a year coming directly out of the taxpayers of Newfoundland. The federal government tells me the grants are now cut out for the operation of the ferry system.

Mr. Speaker, I, and I am sure, many, many more people, are very much afraid of any deal that the Premier and his government are making in secret without the knowledge of the people of Newfoundland. I think, Mr. Speaker, we have had many, many examples of secret deals in this Province lately so we do not have to go into them, but I wonder if Mr. Crosbie and his department officials really are considering us as equal Canadians or are they negotiating another instance where they ask themselves what they can get away with in terms of dollars and cents as far as Newfoundland is concerned. I think Mr. Crosbie should have to answer that question.

Is this another situation, as in the past, where Ottawa is willing to only give enough to get rid of us or is there a true commitment to our long-term future in providing proper transportation to this Province?

We, in the Liberal Party, realize the role of the railway has been downplayed by CN and the federal government. As the roads were completed, the shift was on. The railway was replaced as our major transportation system. The purpose of any transportation system, Mr. Speaker, whether it be railway or highway, is to move goods and people.

We have seen the Newfoundland railway downgraded, whether by accident or design. Unfortunately for Newfoundland and Labrador the cost has been shifted from the federal government to the people of this Province. I know the federal government is still putting money into the CN operations in Newfoundland, but I do not think it is any secret that they want out.

As we in the Opposition say, if the railway is not now an acceptable means of basis transportation for the Province, let us change it, but let us be sure that we protect what we were constitutionally guaranteed under Section 31 of the BNA Act, whereby the promise was made to relieve the Province of the public cost incurred in the operation of our transportation system.

We say to the Premier, there is no way that anyone can now put a figure on what it will cost to operate a transportation system in this Province in twenty years time. It is for this reason that we say, no lump sum payment. In other words, as one of the CN retirees said to me the other day, 'Do not let them sell our birthright for a mess of pottage.'

The Chairman of the Royal Commission that recommended the railway be abandoned was quoted in the media last week as saying that even \$1 billion settlement would just be a drop in the bucket. Any set amount will be shortsighted.

Mr. Speaker, basically this is the position that I am putting forward as a member of the Opposition. Firstly, there are several conditions that also have to be addressed before the railway is abandoned.

MR. SPEAKER (Parsons):
Order, please!

The hon. member's time has elapsed.

MR. GILBERT:
In conclusion, Mr. Speaker, I sincerely hope that future generations of Newfoundlanders and Labradorians will not reflect that these negotiations were another instance of where our present government settled for the short term and left another void in their legacy.

SOME HON. MEMBERS:
Hear, hear!

MR. DOYLE:
Mr. Speaker.

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

SOME HON. MEMBERS:
Hear, hear!

MR. DOYLE:
Mr. Speaker, I rise to respond to the resolution that the hon. gentleman put before the House today. I rise to respond to it with the full knowledge that the member for Burgeo - Bay d'Espoir has little understanding and little comprehension of the complexities of this transportation issue, nor does he have any understanding, I do not believe - it certainly looks like he does not in what he said this afternoon - of the intricacies of the Terms of Union within which the whole railway issue is rooted.

Mr. Speaker, my initial comment on the resolution has to be that the resolution itself is very, very important and it is notorious for what it does not say, not for what it says, but for what it does not

say.

I am very surprised today, Mr. Speaker, that the member for Burgeo - Bay d'Espoir would stand here today to deliver this resolution without any research going into it whatsoever. It is one of the most important resolutions that could ever be discussed in the Province of Newfoundland and the hon. gentleman does not even thing it worth his while to put a half an hour of research into the resolution itself so that he can get up and make some intelligent comments about this very, very important transportation issue in Newfoundland.

This is not something, Mr. Speaker, that is a half a dozen years old or ten or fifteen years old. We are talking about a transportation mode that is on the go here in the Province of Newfoundland since 1881. The hon. gentleman did not even see fit to put a little bit of time into the resolution itself and to try and be a little bit accurate in what he said.

Let us have a close look at the whole issue, Mr. Speaker, because it is a very, very important issue, as I said, and one which needs to be fully debated. First of all, as the hon. gentleman himself stated a few minutes ago, the resolution is hypothetical. It is a 'what if' resolution. We do not have any deal put in place with the federal government on the railway. Contrary to popular belief, there is no deal in place with the federal government on the disposal of the Newfoundland Railway, so, the whole resolution itself is a hypothetical one, it is a 'what if' resolution. But the next most glaring example of

the Liberal Party's complete and abysmal lack of concern for the various communities around this province that could be negatively affected, that could be negatively impacted if the railway in Newfoundland was to cease operation, is the fact that the resolution does not even make one mention of the communities in Newfoundland and any compensation package that should be put in place for them.

SOME HON. MEMBERS:
Hear, hear!

MR. DOYLE:
Now, Mr. Speaker, that is shameful. That is totally and absolutely and completely shameful. The resolution does not even say that if the railway in Newfoundland should cease to operate, that some kind of a compensation package should be put in place for those areas of the province, like Port Aux Basques

SOME HON. MEMBERS:
Hear, hear!

MR. DINN:
And St. John's.

MR. DOYLE:
And the Mayor of Port Aux Basques and his delegation are in the galleries today.

MR. DOYLE:
What about Bishop Falls? What about Clarenville? What about Corner Brook? What about St. John's?

The resolution, itself, did not even say that we should put in place some kind of a compensation package for those areas that might be negatively impacted if the railway was to cease operating in Newfoundland. Mr. Speaker, I have

people lined up to see me every day of the week, including the Mayor of Port aux Basques.

MR. DINN:
Hear, hear!

Which he should be. Fighting for his people.

MR. DOYLE:
Which he should be. This is his second meeting with me and he has had numerous meetings with other people around government circles, because he is concerned about Port aux Basques. One would think, Mr. Speaker, that an alternative Transportation Minister over there, the member for Burgeo - Bay d'Espoir, would at least acknowledge the fact that it is important that if the railway closes down in Newfoundland that areas like Port aux Basques, and Bishop Falls and Clarenville, and St. John's and Corner Brook should have some kind of a compensation package put in place to help them out. Mr. Speaker, I would be very, very concerned today if I lived in Port aux Basques or Bishop Falls or Clarenville, I would be very concerned today if it was the member for Burgeo - Bay d'Espoir who was negotiating away the railway in Newfoundland.

SOME HON. MEMBERS:
Hear, hear!

MR. DOYLE:
I would be very concerned. The hon. member, Mr. Speaker, and his party did not even see fit to say, look, let us make some provision in here for these areas in Newfoundland that are going to be negatively impacted; let us put it on the public record that they deserve something.

And what about Part C of this

resolution, Mr. Speaker, on page 2? What does it say? "The present railway employees be provided with alternative job opportunities or early pension where appropriate." Where appropriate. If it is appropriate that the federal government give a few scraps to the people who have been working on the railway since 1881, then sobeit. This is what the member for Burgeo - Bay d'Espoir is saying: 'If it is appropriate that railway employees be provided with alternative job opportunities or early pensions, then let us do it. But if it is not appropriate, we will not bother it.'

MR. DINN:

That is what it says.

MR. DOYLE:

That is what he is saying. If it is not appropriate, we will not bother it. In other words, if the hon. gentlemen were negotiating today with the federal government the closedown of the Newfoundland Railway, this would be his final negotiating position: If it is appropriate that the employees of the railway should receive pension benefits or alternative job opportunities, then we will give it to them. But only if it is appropriate. We will not fight for it, and we will not make sure that it is there and put in place on the position that we are going to put forward to the federal government.

MR. SIMMS:

Shameful.

MR. DOYLE:

I do not know, Mr. Speaker, what kind of a signal the hon. gentleman is sending to the workers on the railway. I do not know what kind of a signal the

hon. gentleman is sending, Mr. Speaker. Is he saying if you work with the railway two years you do not get anything? Is he saying if you are a five year employee of the railway you will not get anything, that only if it is appropriate we will give you something? If you are with the railway probably twenty years we will give you something. That is not the position of this government, Mr. Speaker.

SOME HON. MEMBERS:

Hear, hear!

MR. DOYLE:

The position of this government is that if the Newfoundland Railway should close down we will be making every effort that we possibly can to protect all the workers associated with the Newfoundland Railway, not just those who have special status and, if it is appropriate, do something for a couple of hundred as opposed to 500, 600 or 700.

So, Mr. Speaker, I would be very, very concerned today if I were working with the railway in this Province and had the hon. gentleman from Burgeo - Bay d'Espoir putting forth my position on behalf of the railway workers in Newfoundland. I would be very concerned if it was the hon. gentleman who was going to Ottawa today to negotiate with them on the disposal of the Newfoundland Railway. I would be very concerned, indeed.

What it shows, Mr. Speaker, and it has been said many, many times before, is an abysmal lack of concern for the working man.

MR. SIMMS:

Sure.

MR. DOYLE:

That is what it shows. It shows an abysmal lack of concern for the working man.

MR. DINN:

They are run by ten rich people.

MR. DOYLE:

It is very, very hard to have any concern for the working man, Mr. Speaker, when you are sitting pretty yourself. If you happen to be sitting pretty yourself, it is sometimes hard, I suppose, to identify with the little guy out there who is making \$15,000 or \$20,000 a year, and who is slugging away at it every single day trying to make a living for himself and his family.

MR. DINN:

He is only making \$126,000 a year.

MR. DOYLE:

But I would be very concerned today, Mr. Speaker, if I was a person working on the railway.

MR. DINN:

It is getting to you, is it not? And it should, too.

MR. DOYLE:

And that is why the hon. gentleman, Mr. Speaker, can say give them something if it is appropriate.

The resolution is full of holes, Mr. Speaker. It does not deserve the respect of a hearing because it leaves out an awful lot of things. It leaves out the communities in Newfoundland which should have some indication that if the Newfoundland Railway closes down their communities will receive some kind of a compensation package. It leaves them out, and it goes on to leave out the working man himself. It

leaves out the individual who, from 1881 until today, has given his life and has given his sweat and has given his blood and given his energy for his job.

Over the last couple of months I have had the opportunity to meet with the various unions who represent the people who are working on the railway, and I suggest to the hon. member that he meet with these unions as well.

MR. DINN:

And present his resolution to them.

MR. DOYLE:

And present this resolution to them.

Sit down with the various unions in this Province who represent those people who are working on the railway, and the hon. member should present his resolution to them.

MR. TOBIN:

The reason why they are putting it close to them is because Harry Steele is buying it.

MR. DOYLE:

The hon. member should tell them that he is prepared to recommend alternative job opportunities and pensions if it is appropriate and let us see what kind of a response he will get, Mr. Speaker, when he sits down with the unions who represent these workers. Because what he will be telling them, if he presents them with this resolution, is that he is prepared to sell them down the drain.

MR. DINN:

That is what they have always done.

MR. DOYLE:

He should tell them what he would do if he was the Transportation

Minister under the alternative Premier, because the hon. gentleman obviously has not read the Terms of Union, either.

Let us go to section e of this resolution, Mr. Speaker, on page 2. I know Port aux Basques is waiting patiently to receive a copy of this resolution. As a matter of fact, I am going to make sure that every union and community that could be negatively impacted with the closedown of the railway get this resolution, Mr. Speaker.

SOME HON. MEMBERS:
Hear, hear!

MR. DOYLE:
What about (e) in the resolution? What does (e) say? "Through traffic between North Sydney and Port aux Basques be treated as all highway traffic for rate setting purposes."

MR. WOODFORD:
What is that? Read that again.

MR. DOYLE:
"Through traffic between North Sydney and Port aux Basques be treated as all highway traffic for rate setting purposes."

Now, I do not know if the hon. gentleman realizes what he is saying here. This is very, very serious indeed, Mr. Speaker. I do not know if the hon. gentleman is aware of what he has said in this resolution. "Through traffic between North Sydney and Port aux Basques be treated as all highway traffic for rate setting purposes."

What do the Terms of Union say, Mr. Speaker? They say, and I quote, "For the purpose of railway rate regulation, the Island of Newfoundland will be included in

the Maritime region of Canada and through traffic between North Sydney and Port aux Basques will be treated as all rail traffic." Already the hon. gentleman has given away one of our Terms of Union. If only the framers of the Terms of Union could be here today to see what the hon. gentleman has done!

MR. TOBIN:
The question is, which company in Newfoundland will benefit if that happens?

MR. DOYLE:
The framers of the Terms of Union, Mr. Speaker, were quite aware of the problems of cost in double handling cargo at North Sydney and Port aux Basques, as well as the substantially higher per ton mile cost of operating on the narrow gauge railway. Term 32 was meant to overcome these costs and permit Newfoundland to access Central Canadian markets. Now, the hon. gentleman says it should be treated as highway traffic for the purpose of rate setting. Now, the rail rate on long distance haulage is much lower, Mr. Speaker, in any event. However, the rail rate in this particular instance is related to Maritime railways, and the people who framed the Terms of Union had a very good reason for putting that in there, that we would have freight rate protection guaranteed in the Terms of Union. But the hon. member has already sold that today by making the statement, 'Through traffic between North Sydney and Port aux Basques be treated as all highway traffic for rate setting purposes.'

MR. SIMMS:
Does that mean an increase in rates?

MR. DOYLE:

Yes, Mr. Speaker, it would mean quite a sizeable increase in rates being charged. If the railway was to close down in Newfoundland it would mean that the hon. gentleman was telling them that we do not need freight rate protection anymore, we do not need it at all, let it be set and treated as all highway traffic for rate setting purposes.

So, Mr. Speaker, the hon. gentleman today has really dug a hole for himself in presenting this resolution and that is why, when it started a few minutes ago, I said that the hon. gentleman really did not put any thought or any research at all into the resolution, that he did not do his homework. And the resolution cannot be accepted, Mr. Speaker, because it calls for the abandonment of the principles that were fought for under the Terms of Union and this government will not negotiate away the rights accorded it and accorded Newfoundland under those Terms of Union.

Mr. Speaker, I am very surprised today that the hon. gentleman did not at least have something included in his resolution that would give communities across this Province some kind of indication that they are going to be protected by some kind of a community adjustment programme. I think it is an acknowledged fact that communities in certain areas of the Province, if the railway should shut down, will be negatively affected and will need the protection of government, and those same people are depending on government to put forth their case for some kind of a community adjustment package. Every community I have met with over the last couple of months, since becoming Minister of

Transportation, I have given them every indication, as I did Port aux Basques, as well, that should such an event occur, there will be something there which will help the community come to grips with the blow of losing a very important asset within their community. I have given every single community that I have met with that indication. But the hon. gentleman, Mr. Speaker, did not even see fit to include it in his resolution today.

As I have said before, we cannot in anyway support this resolution, Mr. Speaker. It is full of inaccuracies, it is full of holes, it is hypothetical, it places in jeopardy one of our important Terms of Union, it makes no provision for the working man, and it makes no provision for the communities.

And, Mr. Speaker, I am very disappointed that the hon. member would put forth this resolution without any research whatsoever.

SOME HON. MEMBERS:

Hear, hear!

MR. WELLS:

Mr. Speaker.

MR. SPEAKER:

The hon. the Leader of the Opposition.

MR. WELLS:

Mr. Speaker, I find it difficult to believe that I heard what I did from the Minister of Transportation. I really do find it difficult to believe. I cannot believe that he would distort in the way in which he did.

I would like to address Your Honor on a point of order. Under the rules of this House, Rule 11(c) in

particular, a member is entitled to be heard and I ask Your Honor to stop that gaggle of noise to allow me to be heard. It is no wonder they know so little over there, they have been listening only to the sound of their own voices for years.

SOME HON. MEMBERS:

Hear, hear!

MR. WELLS:

I would ask Your Honor to address the point of order.

MR. SIMMS:

To the point of order, Mr. Speaker. It is true that the rules provide for a member to be heard in silence if he so requests, as the hon. the Leader of the Opposition has done. But he has been out of the House for an awfully long time. It is also true that it is a perfectly acceptable parliamentary practice for members to talk back and forth, interject and things like that. He is certainly aware of that, I am sure. I would not want this place to turn into a classroom or a school house or a Sunday school or anything of that nature. I would not want the Leader of the Opposition to think that that is the case. Certainly he is entitled to be heard in silence. All he has to do is ask.

MR. PATTERSON:

To that point of order.

MR. SPEAKER:

The hon. the member for Placentia.

MR. PATTERSON:

I feel very sorry for the hon. the Leader of the Opposition. In Smallwood's day they were not allowed to speak in the House, so we should give him every consideration and bear with him.

I know it is nonsense what he is going to say, but we will do that.

MR. SPEAKER:

To the points of order, there is no point of order, it is just a difference of opinion. I would ask the Leader of the Opposition to continue.

MR. WELLS:

Mr. Speaker, let me tell Your Honor and tell the other members of the House I am well aware of the rules of the House. I have not been away for so long that I have forgotten. I am well aware of the rules of the House and that a member is entitled to be heard. I have no objection to a quip back and forth, a sharp cut back and forth. That does not cause me any problem. What causes me a problem is the damn foolish nonsense. I mean, it is almost childish. Mr. Speaker, I would like to now address Your Honor on the resolution, and I would like to do it, Your Honor, with the right to be heard in silence.

MR. SIMMONS:

Hear, hear!

MR. WELLS:

Now, Your Honour, to fully understand the purpose of this resolution it is necessary to look at the Terms of Union. I heard the Minister of Transportation talk about the Terms of Union and I thought he was going to say something about it, but he did not. He mentioned one isolated aspect of it, that I will deal with shortly. The purpose of this resolution is to ask this House to give the government direction as to the manner in which it ought to negotiate a resolution of the railway problem. To fully appreciate it, we had to go back to the beginning, the beginning

being 1949 when the Terms of Union were negotiated. When you look at Term 31(a) of the Terms of Union, what it specifically provides is 'that the federal government will take over as and from the date of union and relieve the province of Newfoundland of the public cost involved in the Newfoundland Railway, including steamship and other marine services.'

Mr. Speaker, at that time, the railway and the marine services were the total means of transportation in Newfoundland, it was our total transportation system. There were no roads, no highways. There was a bit of road around Conception Bay and a bit between Corner Brook and Deer Lake, and some more out around Grand Falls, and that was it. So, what the resolution was really providing was that the federal government would be responsible for providing the Newfoundland portion of the national transportation system.

Now, Mr. Speaker, that is obvious, as well, when you look at minutes of meetings held at the time these terms were negotiated. One, for example, says this: 'A sub-committee was created to examine and report upon the problems involved in the integration of the Newfoundland government railway system with the existing transportation facilities in Canada.' Another talks about the cost involved in restoring the railway. This is a federal government document addressing the Newfoundland position and it says: 'The delegation would like to see the Canadian Government make some sort of commitment with respect to underwriting the system or taking it over. In the event of union, I think it would be almost inevitable that in the course of

time the railway would become part of the government owned system since we now provide a governmental transcontinental system covering all provinces and could scarcely make an exception in the case of one.'

I will just refer to two or three others, although there are numerous ones that deal with it. One even talked about the cost of improving it to a wide gauge railway, and that came up two or three times. Here is one that was a federal document in 1948. 'It is suggested that assumption of the railway and steamship services would be justified on the ground that it was merely the extension of the coast-to-coast transportation system to take care of the needs of the new province.' That is what the framers of the Terms of the union contemplated, that the Newfoundland railway and related steamship services would be integrated into the national transportation system and it would be a total federal responsibility, and the Terms of Union specifically provide that the federal government would relieve Newfoundland from the public cost involved in this.

A little further on the two teams, the federal negotiating team and the provincial negotiating team, set up a joint committee, and the names of the members are here, and here is the purpose of it: 'To bring together information on the Newfoundland railway and steamship service with a view to enabling the Canadian representatives to examine the problems that would be involved in the event of Union in the integration of the Newfoundland railway and steamship service with the Canadian transportation system.' So when

the terms of union talk about the federal government providing for the continuance of the Newfoundland railway, the Newfoundland railway are just words to describe the Newfoundland portion of the national transportation system, and that is clearly what was intended.

Now, I believe, Mr. Speaker, that Canada has failed in that obligation. I think the understanding was clear as to what Canada's obligation was and what the delegations at the time thought it meant. Some MP's who spoke on the Confederation debate thought it meant even more and talked in terms of the obligation of the federal government to embark immediately on improvement of the railway, on making it a wide gauge all across the province and so on.

Canada's constitutional obligation was clear. She did not fully respond to it. She did not relieve Newfoundland totally of the cost of it. She did it immediately after Confederation, she took over the cost, and the cost was immense. There was a reason for it. Maybe hon. members are not aware that the real cause of Newfoundland being in bankruptcy in 1934 was not the cost of funding the war debt in relation to the Royal Newfoundland Regiment in the First World War, it was the railway.

Of a total debt of \$98 million in 1934, \$46 million of it was attributable to the railway, \$34 million in capital and another \$12 million plus in operating deficit, or at least that is what the negotiators estimated at the time of negotiating the Terms of Union, that one half of the \$24 million deficit borrowing related to the

railway. That indicates clearly, Mr. Speaker, that the cost of providing transportation in this Province, or this country as it was at that time, is a heavy burden. We are not now able to manage it, we were not able to do it prior to 1934, and our ability has not been increased. That was the primary reason why that Term of Union was written the way it was. But what has happened since 1949? What has happened is that the federal government has not lived up to its obligations, the standard has diminished, and the minute a road was built anywhere, freight and passenger traffic, both, were diverted onto the roadway and the result is the Province, through having to provide roads and operate and maintain highways has ended up largely with the financial burden that the federal government had agreed by the Terms of Union to take. The effect is Newfoundland has not been relieved at all.

Hon. members may be surprised to know that in 1949 there were 2990 employees on the railway. That was a big cost. There were another 750 working in the steamship services for a total of 3750 employees. All of a sudden Newfoundland was relieved of that burden and the additional cost was taken over by the federal government. Between 1949 and now, the number employed on the railway has been reduced from 3750 to about 750. I do not know how many are engaged in the coastal service at the moment, but I do not think it is all that many. The obligation of the federal government to pay the employment cost of 3000 people has been relieved. That burden is gone. Where has it gone? It has gone largely to the Province. The Province now employs 2000 people

to run the highways of this Province so, therefore, the Province is providing the transportation services, not only the capital cost, but the operating cost, as well, and instead of being relieved of the burden of providing the Newfoundland portion of the National Transportation System, the Province ended up with it gradually being shifted back onto the Province again, and this we have to recognize.

And the government has not been very forthcoming. I heard the Minister of Transportation say about three weeks ago that there were no negotiations underway, none at all. I saw him interviewed on television to say just that. The Premier is interviewed and he says, yes, we have been talking for some time. Now, I do not know if the Minister of Transportation is kept in the dark or what, but obviously there are negotiations underway. Whether they are called discussions, negotiations, or what, there are talks underway with the federal government with a view to terminating the operation of the railway in Newfoundland.

The story that has been most persistent, and we are concerned that it may have some truth because we have not heard anything firm from the government one way or the other, the story that is most persistent is that the government is about to agree on a lump sum settlement of \$800 million or something in that neighbourhood - \$800 million or \$900 million or \$1 billion, it does not much matter, what is wrong is the principle of a lump sum settlement. That is wrong. What we should maintain and what we must protect is the

constitutional obligation of the federal government to operate within Newfoundland, in perpetuity, the Newfoundland portion of the National Transportation System to relieve Newfoundland of the cost of providing for the Newfoundland portion of the national Transportation System.

MR. SIMMS:

Where does it say it must constitutionally continue the railway? Do you have that in front of you?

MR. WELLS:

The Terms of Union specifically provide, and Canada is bound by the Terms of Union. You can look at the debates at the time, you can look at what took place at the time. Canada is bound to honour the Terms of Union. The Terms of Union were enacted by both the House of Commons and the Senate in Ottawa, and the United Kingdom Parliament, to be part and parcel of the British North America Act, and it is a binding constitutional document. The federal government is bound by its obligations under that document. And I do not believe the federal government would refuse to do it.

The government is bound not necessarily to run a railway in perpetuity. That would be the most stupid thing imaginable, to run forever a railway that was inefficient and ineffective. I cannot imagine a greater waste of money, and none of us in this House or in the House of Commons in Ottawa should have anything to do with it. But what the federal government is bound to do as all of the constitutional documents clearly indicate, is to relieve Newfoundland of the public cost of operating the Newfoundland portion

of the National Transportation System. And that is what it appears the government has overlooked, and they should pay some attention to it. They should listen to what others say for a change and maybe they would learn something.

MR. PATTERSON:

We will not learn from you.

MR. SPEAKER:

Order, please!

MR. WELLS:

Thank you, Mr. Speaker.

Mr. Speaker, a lump sum settlement, even if it is \$800 million or \$900 million or \$1 billion, is a drop in the bucket compared with what it is going to cost this Province to build and operate highways to provide for the Newfoundland portion of the National Transportation System. It may provide for it for fifteen or twenty years at the very most.

DR. COLLINS:

Would the hon. member permit a question?

MR. WELLS:

I do not mind, and I would like to answer questions provided they did not hold me strictly to twenty minutes at the end of it.

MR. SPEAKER:

The hon. the Minister of Health.

DR. COLLINS:

I think the hon. member may be trying to make an important point here, but I think he should try to lay it out because I am not certain that I understand what he is saying. Are you saying that the federal government, if we do not have a railway here, should build and be responsible for the

operating costs of an alternative means of transportation in this Province? And I suppose what we are talking about is a highway. In other words, are you saying that the federal government, if the railway goes, should build and operate, take all the costs of a highway system?

MR. WELLS:

Mr. Speaker.

MR. SPEAKER:

The hon. the Leader of the Opposition.

MR. WELLS:

No, Mr. Speaker, that is not what I am saying. What I am saying is any reasonable, fair-minded reading of the Terms of Union will indicate quite clearly that what the federal government was obliged to do under the Terms of Union was to relieve Newfoundland of the public cost involved in the operating of the Newfoundland portion of the National Transportation System. Now it is expressed in terms of railway and steamships, but that is what the railway and steamships were. There were no highways and there was no other means of transportation. That was the only means of transportation.

And as the writers of these documents said, Mr. Speaker, just to go back to this one, they knew what they were doing and they knew the obligation they were undertaking. 'It is suggested that the assumption of the railway and steamship services would be justified on the ground that it was merely the extension of the coast to coast transportation system.' It did not matter that it was railway. It could have been highway, and it would still have been treated the same way

because it was merely the extension of the coast to coast transportation system which is a federal responsibility. Now they say you have an inefficient railway. Yes, it is inefficient, it is ineffective, largely because they allowed it to become that way. I do not know whether it would ever have been affected if they had improved it to a wide gauge and an efficient system in the first place. It may have been effective and efficient, I do not know, and perhaps we will never know. But clearly it is ineffective and inefficient now and it should not be sustained any longer than is necessary to make all of the adjustments that flow out of the closing of it.

Clearly that is what is intended, so what I am saying, Mr. Speaker, is that we should not relieve the federal government of that constitutional responsibility to get our hands on a large sum of money in the short term. Because in thirty or forty or fifty years we will be bankrupt again if we have to pay the cost of providing the Newfoundland portion of the national transportation system. That is what put this Province under in 1934, not our war effort, and it would be shortsighted in the extreme for any government to think in terms of negotiating away that constitutional obligation of the federal government for a lump sum of money.

What we have to think in terms of is what the resolution says, Mr. Speaker. We have to think in terms of entering into an arrangement and amending the Terms of Union. That is the appropriate way to do it, amending the Terms of Union to provide for what is to happen fifty years from now. Who in this House knows whether

gasoline is going to be \$1,000 a liter fifty years from now? We do not know and I do not know. It may well turn out, Mr. Speaker, that railways are the only effective, efficient means of transportation in North America at the time. If it turns out to be that way, we should not be disadvantaged in Newfoundland because we do not have a railway. We should be able to call upon the federal government to discharge its constitutional obligation to Newfoundland to provide an effective, efficient Newfoundland portion of the national transportation system. That is why that clause ought to be there.

Now, in the meantime, the Province clearly has responsibility for operating highways in the Province. But if you are going to substitute highway for the basic national transportation system, then the party that is obliged to provide that national transportation system should pay the cost of the substituted highway.

SOME HON. MEMBERS:

Hear, hear!

MR. WELLS:

There has to be some way to do it. If it meant twinning the highway, which would seem to be the only appropriate measure, with Newfoundland already having being billed, at least under provincial expenditure with federal monies in aid, the same as other provinces, but already having provided the basic highway, then the twinning of it could well be the federal cost. Then they could share the operating cost on some agreed formula, maybe 50/50 or 60/40 or whatever was appropriate to the circumstance at the time. But we should not sell out our

constitutional future.

Now, I know the hon. gentlemen opposite have been very critical of the deal that was made at Churchill Falls. They talked about it in terms of selling out the right of Newfoundland and they still do. I will be prepared to debate that with the hon. gentleman at a time in the future, but now is not the time. But I understand their meaning. I agree with them. The Churchill Falls deal is about the worse deal that was ever signed. It is the worse thing that ever happened in Newfoundland, unless and until this government signs a deal to sell the railway and the federal government's constitutional obligations for a lump sum of \$800 million or \$900 million.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

Order, please!

The hon. member's time has elapsed.

SOME HON. MEMBERS:

By leave, Mr. Speaker.

MR. SPEAKER:

By leave.

MR. WELLS:

I will clue up quickly. I will not abuse the leave. I appreciate it, Mr. Speaker. I appreciate what my hon. friends have done.

Mr. Speaker, it is extremely important that we take a long, hard look at this, that we not suddenly rush at getting out hands on a lump sum of money that may seem very attractive to us in the short term. We have to take a look at what is necessary to protect the interests, yes, of the

communities. Nobody is forgetting the communities, and it was wrong for the Minister of Transportation to talk in terms of interpreting that phrase in the resolution in that way. What the word 'appropriate' refers to is early pension where that is appropriate, otherwise jobs. There is no question about it. I mean, the plain, simple meaning of the words say that, so I do not know how he could contort it into that.

Of course, Mr. Speaker, if the jobs are provided the communities will be looked after. That is what we have to do. Nobody is insensitive to that. That is what we have to do, but, Mr. Speaker, we must not sell out our constitutional rights for a short-term lump sum. We must bear in mind, with the size of this Island and the size of Labrador and our people spread around 6,000 miles of coastline, the financial burden of providing the Newfoundland portion of the national transportation system is immense. It has already put us under financially once, and if this government is prepared to sell out that constitutional obligation for a lump sum, I have no doubt it will put us under again.

Mr. Speaker, the resolution is well-timed and in order, and the government should be happy to take the direction and the support of the House that is indicated in that resolution and I ask them to support it.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

The hon. the member for Humber Valley.

SOME HON. MEMBERS:

Hear, hear!

MR. WOODFORD:

Thank you, Mr. Speaker.

Mr. Speaker, I rise here this evening to make some comments pertaining to the resolution from the member for Burgeo - Bay d'Espoir. Going through the resolution, Mr. Speaker, the first "WHEREAS": "All published reports indicate that the federal and provincial governments are about to agree upon the discontinuation of the railway in Newfoundland" Again, as was mentioned by the Minister of Transportation, the whole context of the resolution, Mr. Speaker, is purely hypothetical. We are putting that aside and dealing with reality.

The hon. the Leader of the Opposition mentioned Term 31 of the Terms of Union. He is right, reading through the Terms of Union, in what he said, except for the fact that nowhere in it does it say, 'in perpetuity'. Nevertheless, it does say that they are supposed to maintain the national transportation system.

Back when it was signed, Mr. Speaker, the national transportation system in this Province and in many others was the railway. The railway has served this Province and the people in it for many years and served it well. I go back to my roots in Buchans. We had the Spur Line from Buchans to Millertown Junction in order to run all the minerals from ASARCO out through to Millertown Junction and on to Botwood. It was a necessity. There was no road system in the Province. Even if there was, at that time the road between Buchans and Badger certainly could not

accommodate the types of equipment that would have been used. So, there is no doubt about it, we all know the results of some of the positive things with regard to the railway in the Province.

Mr. Speaker, no matter what you are involved in, there is a thing called progress. This Province today has a narrow gauge railway from Port aux Basques to St. John's. Everything that comes in from the rest of this country has to come to Port aux Basques to be switched to the narrow gauge railway unless it is in container.

In any case, the days are gone when it had to be used. The railway just does not have to be used. The business people in this Province, and elsewhere, have seen that the transportation network for sending goods into the Province is the trucking network. That is the way to go. Whether I as a politician or any member in this House agree with him or not, we have to look at the reality.

It says here in the fourth Whereas: "WHEREAS Canada has not faithfully discharged its obligation under the Terms of Union, in that Canada has failed to properly maintain the railway to a standard in keeping with the standards elsewhere in the country, resulting in loss of both passenger and freight traffic."

Are we, as politicians, to dictate to the business sector of this Province or anywhere else what mode of transportation they should use? We cannot. In the last comments made by the Leader of the Opposition, and points are well taken, if we do say to the federal government 'Yes, we want \$800 million, \$900 million, or whatever, a billion dollars to put

a four-lane road across the province', for instance, we could just take that hypothetical situation. We 'We want, or else we are not taking it.' They say 'Fine, we just cannot give it to you. So, you just go home and you just wait.' What happens?

A few years ago, approximately 46 percent or 47 percent of all the traffic moved in this province went by rail. Today, if I am not mistaken, I could be wrong, correct me if I am wrong, I think it is down to around somewhere like 28 per cent, high or low twenties, whichever. I think last year approximately \$42 million was lost by CN in the province of Newfoundland. So, they can sit back and just say, 'We will just take our time,' not necessarily the federal government as such. The federal government is involved in this because of the fact, as you mentioned, in the Terms of Union. It is a Crown Corporation and CN more or less deals with the business part of it.

They can say, 'It is only another few years. We went from 47 per cent, we went to 32 per cent, and we went to 27 per cent. So it is only another few years, and it will go down to 23 percent, it will go down to 18 per cent and at the end of three or four years, well, we will not have to give them a cent. We will not have to give them \$300 million, \$400 million, \$800 million or a billion. Forget it, send them home. We are losing \$42 million dollars a year now. If we wait four years, that is only \$160 million and after that, well it is gone, anyway. If nobody is using it, well, naturally, what is the point of having it, so, it is gone.' We have got no railroad in the province and we have got no

road.

This provincial government cannot build the roads in this province today. Some of the roads in some of the members' districts are, and in my own, in White Bay, from the Trans Canada to Jackson's Arm, as of last year, I had six kilometers of road, approximately 3.6 miles, 3.7 miles of road paved. So, it is not only the Oppositions' districts but go on, down to the member from the Straits, the Roddickton road. For years people are driving over dirt roads and you can keep on going around this province. The Bonavista Highway needs to be done. There are other roads in the province that needs to be upgraded, let alone built.

This province, with a population of 580,000 people, with the type of economic base that we have, with no control over some of its basic resources, it cannot seem to get a handle on it. Just as we get to first base, there is someone there to knock us off. The Atlantic Accord we fought for for years. We got the Atlantic Accord to try to get control of some of the resources so that we could get something going and get money to do just that, to build roads in the province and maintain roads, and the oil prices dropped. So, it is an ongoing thing.

How can we build, let alone maintain, the roads in the road network in this Province? We cannot do it under the fiscal regime we have now. If we take it out of Municipal Affairs to put it into roads, the communities are suffering because of water and sewer projects. If we take it out of Health, the government is downgraded, maligned and everything else because we took it

out of Health. If we take it out of Social Services there is something else. So where do we get the money?

To be realistic about it and face reality, where do we get the money to build, let alone maintain, the road network in this Province? So sooner or later, Mr. Speaker, we have to face reality. Either take what they give us or else lose both. That is the bottom line.

You lose your railway system through default. I think the hon. member for Burgeo - Bay d'Espoir said, by default possibly. If not, we cannot maintain and build the road across our Province. If it does come down to take an approximate figure of \$600, \$700, \$800 or \$900 million and the clause is not there to protect and maintain the highway forever and a day, then you can put a road system across the Province. I do not know if you would put a four lane right across it, but across most of it, in any case.

In part of my district alone, in the Western end of it, from Deer Lake to Corner Brook, it is just ridiculous. It has the second highest concentration of traffic in the Province. The other is from Whitbourne to St. John's. I am sure all the hon. members have driven it, and it is a death trap. Now, to qualify what I have already said, I am not saying that we should automatically say, 'Okay, that is it, we do not want the railway, but give us the road.' What I am doing is comparing the two. I am comparing it and saying that what is going to happen anyway somewhere down the road, in two, three or four years, if we do upgrade the railway, for instance, if we put a new wide gauge railway right

across the Province tomorrow morning, if we did that, who is going to use the railway? Who? What businessman in this Province is going to have carloads of this and carloads of that dropped off in Deer Lake and send his trucks from St. Anthony to Deer Lake to pick up the freight and transport it back to St. Anthony? Who is going to do it?

Now, this is probably the wrong example to use there, because that is another example. Here we have 300 miles of coastline from Deer Lake to St. Anthony with no railway. I think it is approximately 565 across the whole Province. Those people did not even have a road up to four or five years ago, let alone a railway. And you talk about a transportation network.

AN HON. MEMBER:

Where is that?

MR. WOODFORD:

Down on the Northern Peninsula, down on the coast.

They now have a fairly good road, I must say, from Deer Lake to St. Anthony and they have the water routes as well into St. Anthony and the coastal boat system. We also have areas across the Province served by the coastal boats and also the railway. So they had the best of both worlds. But those people, as a prime example, had nothing in the line of a railway or a transportation system from Deer Lake to St. Anthony. They have a road now, like I said, and some marine service there.

So if a businessman says, 'Okay, I can have it come in by truck from the mainland landed right to my door,' and I have ran into it

myself, especially over the last ten or fifteen years - one I remember in particular is the limestone. You have it come in from the mainland in bags, and I have not got to tell anybody here what it is like to handle it. You go to Deer Lake, you back in your truck and you take that, bag for bag, out through the door, out of the boxcar unto a truck and then take it back up and handle it again and then again. Now it comes in and it is dropped right by your door, whether it is container or otherwise, by truck in bulk.

Cars! What are happening to cars in the Province? What is happening to the wood? What happened in Central Newfoundland, out around the Clarenville/Glenwood area over the past four or five years? The question I ask is what is happening to our roads, let alone our railway? All the wood that was cut on the East Coast of the Province was shipped to the West and Central by the rail system. Today every single bit of it is shipped by truck. It is disastrous and it is a danger to anybody. We all know that, but that is one example. Are they going to go back to the railway? Again, hypothetically, will they go back? The hon. Leader of the Opposition (Mr. Wells) mentioned, yes, somewhere down the road gas might dictate, it might be the price that would dictate we will have to go back to the railway system. Then again, you mentioned the Churchill Falls deal. We could use the same analogy. Go back twenty years and say, 'Well, somewhere down the road...' Hindsight is twenty/twenty vision.

We cannot, I do not think,

speaking personally, Mr. Speaker, that we can have the best of both worlds, we cannot, looking at it realistically. Obviously, what is happening year after year, it is dropping off little by little, by little.

I mentioned the roads between Deer Lake and Corner Brook and there are others across the Province, but what is happening again? You mentioned the jobs. I think there is something like 3,750 jobs, in 1949 or 1950, something like that, and it is down to 750 today and that includes the steamships and the marine services. Now, was there anybody in any government, whether it was Liberal or PC, whether they were provincial or federal, say to anybody over the last forty years, 'You have to close this or you have to close that?' To me, looking at it personally - I do not go back that far, almost - it was all done by default.

Businessmen in this Province and the passenger service are two reasons why it was closed, because nobody used it. The freight service; one of the reasons why it is dropping of today is because nobody is using it. What do we do? That is the question I ask?

Look at what is happening again, to add insult to injury, if you want to take it that way, look at Corner Brook today. Two or three years ago, I think it was Ace who were in Corner Brook and they had to pull out. Why? No traffic, nothing, very little, and, yes, the subsidy, but then again you are getting back to subsidies. You are getting back to subsidizing the rail system in the Province, \$42 or \$45 million a year that could be going into highways or vice versa, into the

marine service is it comes to that, I do not know. But now Ace is into Corner Brook and there is another shipping firm into Corner Brook as well and they are there for one reason. The traffic is there now and they know that the time is coming, whether it is one, two, three, four or five years, when the mode of transportation, not only in this Province but in other provinces and throughout the United States, is going to be roads.

If you go throughout Canada and the United States the spur lines are closing day, after day, after day. Thirty-eight per cent of the traffic going East of Halifax into Sydney is headed for Newfoundland. We will get 28 per cent of it as the other ten or twelve per cent stops somewhere along the way. You can back it up, if it goes to Newfoundland. What happens between Sydney and Halifax? Automatically, if it is not being used, the same thing, it goes by default. It is a trickle effect, I was going to say down through, but in this case it would have to be back through.

I mentioned the shipping of the cars earlier. That is all coming in now by truck as well. All this is adding to the load on the Trans-Canada Highway. We cannot handle it. It is a deathtrap out there. There is no doubt about it, whether we get a railway agreement with the federal government to put it into roads in the Province or into the Trans-Canada in the Province, four-laning or whichever, whether we do that, or whether it comes from some other agreement, something has to be done. The sooner it is done, the better for the citizens of this Province and those who come to visit us in

regards to tourism and everything else.

Whether we accept the agreement or an agreement with the feds on the road or not, that is a decision that the higher ups will have to make sooner or later. Whether it is going to be a good one or not, I guess most of us will not be around to see it. It is not something that is going to be able to come back to haunt us in ten or fifteen or twenty years time. Because once she switches, especially a mode of transportation, the hon. member goes back to 1949, well here we are forty years later just feeling the affects of what the rail system has done versus the highway. If we change now, I will say it will be probably be another thirty or forty years before we see if there is a return or if there is a reverse affect.

But the bottom line, when I talk about the resolution, it says here: "BE IT THEREFORE RESOLVED that this House of Assembly support the discontinuance of the railway in Newfoundland on the following conditions". I do not think I have heard anybody, Mr. Speaker, in this House, on either side I suppose so far say that we should discontinue the use of the railway in the Province. We should discontinue it.

This resolution by the member for Burgeo - Bay d'Espoir (Mr. Gilbert) to me says just that. "The Federal and Provincial Governments be satisfied that energy and other developments of the foreseeable future will be such that railways would not likely become the most effective and efficient transportation system of North America.

"The Federal Government undertake to rebuild the railway if, at any time in the future, railways become the most efficient and most effective means of transportation in North America and as a result Newfoundland becomes disadvantaged by reason of not having an operating railway."

"The present railway employees," the hon. member mentioned employees, the hon. the Leader of the Opposition (Mr. Wells) mentioned the towns. They should be looked after. If and when it comes to that, the towns, the workers and the overall monies for a road system in this Province should be looked after. That should be the three top things to be looked at, the towns, well, it should be the individuals, the workers first, but the two of them come hand-in-hand. If the workers are not there, it is no good to the towns anyway. So they should certainly be looked after in that category.

MR. SPEAKER:
Order, please!

MR. WOODFORD:
Thank you, Mr. Speaker.

SOME HON. MEMBERS:
Hear, hear!

MR. LUSH:
Mr. Speaker.

MR. SPEAKER:
The hon. the member for Bonavista North.

MR. LUSH:
Mr. Speaker.

MR. WELLS:
I think the hon. member wants leave to finish and we agree.

MR. SPEAKER:
The hon. member for Humber Valley, by leave.

MR. WOODFORD:
I want to thank the hon. members for leave.

I just want to continue on here. "In place of the constitution obligation to take over and relieve Newfoundland of the cost incurred in respect of maintaining and operating the railway across the Province." I think I touched on that just previous. But "Pay the capital cost of twinning the existing Trans-Canada Highway across Newfoundland and, pay annually the additional operating cost made necessary as a result of twinning the highway."

That is the one I wanted to get to because I referred to it first. If we give them an ultimatum, they do not have to give us anything. They may not give us anything, I do not know. But if we do, the second part of that section, to "Pay annually the additional operating costs," in other words, you can make an agreement to put the road there, but you maintain it for us.

Then the resolution says, "Through traffic between North Sydney and Port aux Basques be treated as all highway traffic for rate setting purposes" and "The Terms of Union be amended to effect to these changes and thereby protect the long term interest in Newfoundland and Labrador."

Mr. Speaker, I just wanted to end by saying that I personally cannot support the resolution. In the first "BE IT THEREFORE RESOLVED that this House of Assembly support the discontinuation of the railway in Newfoundland on the

following conditions" it does not mention the communities anywhere in the resolution, although the members mentioned it after. Communities or towns are not mentioned anywhere in the resolution and I think that is a very, very important of it.

Thank you Mr. Speaker.

SOME HON. MEMBERS:
Hear, hear!

MR. LUSH:
Mr. Speaker.

MR. SPEAKER:
The hon. the member for Bonavista North.

MR. LUSH:
Mr. Speaker I listened with great interest to the Minister of Transportation and the Member for Humber Valley. I must say that I was tremendously disappointed in what I just heard.

Mr. Speaker it seems as though nothing has changed on that side of the House. If a resolution comes from this side of the House, regardless of its value, regardless of its merit, they must find fault with it. But not only find fault, Mr. Speaker, but not vote for it. Nothing has changed, Mr. Speaker.

There was no indication of their position. There was no indication that they supported the principle or the spirit of this bill, Mr. Speaker; no indication of that, just searching for weaknesses. Weaknesses for what reason, Mr. Speaker? Weaknesses for what reason; to make amendments and strengthen the bill so that we could all support it. No, Mr. Speaker, not such noble efforts, Mr. Speaker. No, Mr. Speaker,

just to poo poo the bill. Just to give the government a chance to prattle, Mr. Speaker, and sabre rattle and posture and grandstand.

SOME HON. MEMBERS:
Hear, hear!

MR. LUSH:
Mr. Speaker, no where did I see any indication of what the position of this government was with respect to the railway and with respect to this resolution.

Mr. Speaker, that is why the resolution was introduced because this government's stand with respect to the railway has been contingent upon which government was in Ottawa or which political stripe of government we had in Ottawa. Therefore, their protestations, objections, and rejections to the downgrading of the railway has been rather sporadic, Mr. Speaker, spasmodic, depending upon the political stripe of the government in Ottawa. That again is why this resolution was introduced.

Mr. Speaker, we wanted to make a precise policy decision on this matter, hoping that we would help the government, but no, Mr. Speaker, not so.

Now, when listening for the member for Humber Valley, I thought he was supporting the resolution for most of the way through, however, he felt that if we lose the railway, either by default or through capitulation on the part of the government, that seemed to be the state of affairs. What could we do about it?

We say, Mr. Speaker, and this is what the resolution says Mr. Speaker, let us exercise our constitutional rights. That is

what we said, Mr. Speaker.

SOME HON. MEMBERS:

Hear, hear!

MR. LUSH:

That is what the resolution is all about.

Yes, Mr. Speaker, the Minister of Transportation was looking for loop holes. Well, we are looking for bigger things than that, Mr. Speaker. We are looking for bigger things than that. We are not looking for rabbit tracks, we are looking for elephants tracks. Mr. Speaker, I was so disappointed, so disappointed to hear the member -

MR. SPEAKER:

Order please!

MR. LUSH:

- identify the weaknesses in this bill. Now he supports this resolution, Mr. Speaker, if he supports the principle of this resolution, let him bring in the amendment on the weaknesses that he has identified and see if it can not be supported. Let him do that, Mr. Speaker.

SOME HON. MEMBERS:

Hear, hear!

MR. LUSH:

For a number of years, Mr. Speaker, the federal government, regardless of its political stripe, has not lived up to its obligation and duty of making the Newfoundland railway an efficient or competitive mode of transportation. Indeed, continuous measures by successive federal governments over the years, despite protestations, objections, representation from unions and other interest groups, has all been to no avail. Nothing

has improved. Indeed, it has been a continuous downgrading.

Mr. Speaker, this state of affairs, combined with recommendations of several recent major studies and commissions for the abandonment and the total and complete abolition of the railway, leaves those of us who would like to see its continuance appear to be a bunch of asinine, narrow-minded, patriotic romanticists, having no concern or understanding of the wise and prudent expenditures or fiscal management of the federal government.

Analyzing, Mr. Speaker, and evaluating the frustrated and futile efforts to try and maintain and improve the Newfoundland railway, having failed to convince and pressure the federal government into improving the railway, and in view of supporting fiscal responsibility, and in view of protecting the interests of the people of this Province, and in view of the prominent, current and conventional thought prevailing in Canada and in the Province today, what are the practical options? What are the sane and rational options?

Mr. Speaker, we could say let us do away with the railway, let us abolish the railway, and accept block funding, accept a total figure. That has already been addressed by the member introducing the bill. Mr. Speaker there are some inherent dangers in that particular method, of accepting a lump sum for the loss of our railway, because, Mr. Speaker, who can determine what will be the cost of an alternate transportation system, specifically twinning the highway, a Trans-Canada Highway that meets

the national standards of this country? Who is to say what that will cost?

I think it is beyond, Mr. Speaker, the comprehension of most experts we could find to determine a figure by which we could settle on and leave it to the whim and fancy of any provincial government to spend. Why, they might get the same accusation levelled at them that people levelled at them with respect to EPF, that they would not spend it on improving the transportation system of this Province. Mr. Speaker, because it is difficult to determine the figure, and because I do not think we could trust any particular government to spend that money and to ensure that we have an adequate, effective, and efficient transportation system, that option, Mr. Speaker, cannot be looked at. That option cannot be accepted.

I believe, therefore, Mr. Speaker, that the most rational people would say that this resolution presented today by my hon. colleague contains most, if not all, of the practical and pragmatic options available to us, and the options that we should and ought to pursue, and options I believe, Mr. Speaker, which hold up to constitutional and legal scrutiny.

Mr. Speaker, let me get into a couple of the objectives of this particular resolution. First it says, "BE IT THEREFORE RESOLVED that this House of Assembly support the discontinuance of the railway in Newfoundland on the following conditions".

Without reading them all, Mr. Speaker, the first one is to ensure that if there will be a

need for a railway in the future, that this is taken care of, that this is agreed to, that we just do not abandon the railway without any thought for the future. Should this mode of transportation become needed in the future, we want to make sure that that is taken care of.

Secondly, we address the situation of the workers. Oh, yes, hon. members might find some fault with the wording, Mr. Speaker, but do they agree with the principle that the workers should be taken care of? Do they agree with the principle?

AN HON. MEMBER:

We do.

MR. LUSH:

Yes, there could be some weakness in the wording, and again I say let hon. members strengthen the wording of it. Mr. Speaker, if hon. members want to strengthen this resolution, let them do the honourable and the appropriate thing by introducing amendments and then support the resolution as amended. But, Mr. Speaker, I gather they do not want to support this resolution. What do they want to do? Nobody seems to know, Mr. Speaker, what they want to do.

Then, Mr. Speaker, the resolution addresses our constitutional right, the exchange of a right for a right. If we are going to lose the railway, which is a constitutional right, let us replace that with another constitutional right by having a class 1, class A Trans-Canada Highway from St. John's to Port aux Basques - that is what we are asking - built and maintained by the federal government. That is what we are saying, Mr. Speaker, and that is another reason that

would make the block funding very difficult. How can we project into the future and determine with any degree of accuracy what the cost of maintaining the highway would be? Mr. Speaker, the federal has the obligation of maintaining the railway and their obligation should be no less with the Trans-Canada Highway.

I do not have to elaborate upon the necessity for a safe Trans-Canada Highway in this Province. Anybody who drives it knows the dangers and knows the hazards of going out on the Trans-Canada.

So, Mr. Speaker, that is what the resolution says. We now have a constitutional right. Let us not settle for less than another constitutional right. That is what the resolution says. Mr. Speaker, we should not relent in our efforts to ensure that we have a good transportation system in this Province. The transportation system we are talking about is the one identified and spelled out in this particular resolution, a twinned highway from St. John's to Port aux Basques. That is the very minimal settlement, Mr. Speaker. We are not saying it should not be more. That is very minimal settlement. To settle for less, Mr. Speaker, would be to betray the confidence and the trust of the people who elected us.

I would hope that hon. gentlemen will look at their position, will look at their stand on this particular resolution. Let us not be fatalists and take the attitude of the member for Humber Valley (Mr. Woodford) and suggest that we must capitulate. No, Mr. Speaker, we must not capitulate.

SOME HON. MEMBERS:

Hear, hear!

MR. LUSH:

What we must do, Mr. Speaker, is exercise our constitutional rights. That is what we must do.

Now, Mr. Speaker, we can skate around it and say that we do not have the constitutional right. If we do not have the constitutional right, what is the value of the Terms of Union? What is the value of any of them? No, Mr. Speaker, we cannot capitulate, we must be ensure that this generation and future generations of people in this Province cannot point the accusing finger at members in this House and say that we did not fight for our constitutional right and have the Trans-Canada Highway substituted for all the rights that were contained in the Terms of Union relating to the Newfoundland Railway. That has got to be the position, Mr. Speaker, and nothing less will do.

SOME HON. MEMBERS:

Hear, hear!

MR. LUSH:

Mr. Speaker, I support this resolution and I hope and trust that all hon. members will support this resolution, because by doing so the present generation and future generations will have untold benefits that members in this House never realized. Mr. Speaker, we must have a good transportation system. It is the lifeblood, it is the lifeline of the economy of this Province. Without a good transportation system, without a twinned highway from St. John's to Port aux Basques, this Province is doomed to financial and economic ruin.

In conclusion, Mr. Speaker, I support this resolution

wholeheartedly. If hon. members have some differences, if they find some weaknesses in the resolution, that is no way to escape the responsibility, that is no way to escape the principle of this resolution today, that is not a way out, Mr. Speaker, let them do the appropriate parliamentary thing and let them make the necessary amendments, if that is what they want to do. Let them not say that they are condemning this resolution because it contains weaknesses, because it contains loopholes, because, Mr. Speaker, the spirit and the principle of this resolution is magnanimous and if adopted by the provincial government and adopted by the federal government, it will benefit Newfoundlanders for generations to come.

Thank you, very much.

SOME HON. MEMBERS:

Hear, hear!

MR. FENWICK:

Mr. Speaker.

MR. SPEAKER:

The hon. the member for Menihek.

MR. SIMMS:

Mr. Speaker, the hon. member has been recognized so rather than cut him off in midstream, he can continue next Wednesday if that is acceptable. You will recall, Mr. Speaker, that earlier we said in the Chamber that if all three parties could get together and draft a resolution that was acceptable with respect to the sealing industry, the seal hunt, we would present it here.

SOME HON. MEMBERS:

Oh, oh!

MR. SPEAKER:

Order, please!

MR. SIMMS:

The resolution has been drafted and has been accepted by all three parties. We said we would then present the resolution. The understanding is that there would be no debate, we would have an all-party vote on it. Suggestion has been made to me by many in the Chamber that we should take a division on it, obviously for the record of the House, and members opposite agree. So, with that in mind, Mr. Speaker, perhaps I could read the resolution, we could do the voice vote, and then we could have a quick division and get it on the record.

The resolution reads as follows:

WHEREAS the seal fishery is of vital economic significance to the economy of Newfoundland and Labrador; and

WHEREAS the imposition of a ban on harvesting licenses to bona fide fishermen is creating undue hardships to thousands of fishermen; and

WHEREAS this ban on licensing is a deterrent to our announced plans to revitalize the landsmen based seal fishery;

THEREFORE BE IT RESOLVED that the Minister of Fisheries and Oceans take the appropriate action immediately to ensure that all bona fide fishermen in Newfoundland and Labrador are issued seal hunting licenses upon request.

I ask that the question now be put, Mr. Speaker.

MR. SPEAKER:

Order, please!

You have all heard the motion. All those in favour of adopting the resolution please say 'aye'.

SOME HON. MEMBERS:

Aye.

MR. SPEAKER:

Those against 'nay'.

MR. SIMMS:

Division, Mr. Speaker.

MR. SPEAKER:

Division. Call in the members.

Division

MR. SPEAKER:

Is the House ready for the question?

SOME HON. MEMBERS:

Ready, Mr. Speaker.

All those in favour of the resolution, please rise.

The hon. the Minister of Public Works and Services (Dr. Twomey), the hon. the Minister of Municipal Affairs (Mr. Brett), the hon. the Minister of Forest Resources (Mr. R. Aylward), the hon. the President of the Council (Mr. L. Simms), the hon. the Minister of Health (Dr. Collins), the hon. the Minister of Transportation (Mr. Doyle), the hon. the Minister of Mines (Mr. Dinn), the hon. the Minister of Consumer Affairs and Communications (Mr. Young), the hon. the Minister of Culture, Recreation and Youth (Mr. Butt), the hon. the Minister of Labour (Mr. Blanchard), the hon. the Minister of Social Services (Mr. Tobin), the hon. the Minister Responsible for Northern Development (Mr. Warren), the hon. the Minister Responsible for

Newfoundland and Labrador Housing (Mr. Peach), Mr. Parsons, Mr. Reid, Mr. Baird, Mr. Hodder, Mr. Woodford, Mr. Callan, Mr. Mitchell. The hon. the Leader of the Opposition, Mr. Efford, Mr. Simmons, Mr. Tulk, Mr. Baker, Mr. W. Carter, Mr. Gilbert, Mr. K. Aylward, Mr. Hiscock, Mr. Kelland, Mr. Furey, Mr. Lush, Mr. Decker, Mr. Fenwick, Mr. Long.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

Order, please!

The resolution is carried unanimously.

MR. SIMMS:

Mr. Speaker.

MR. SPEAKER:

The hon. the President of the Council.

MR. SIMMS:

Your Honour, of course, will see that the resolution now gets relayed to the Minister of Fisheries and Oceans on behalf of the House.

Since it is five minutes to six, and I realize on a normal Wednesday Your Honour calls adjournment, but for your direction, perhaps, maybe we could agree to call it six o'clock today.

MR. SPEAKER:

Is it agreed to call it six o'clock?

SOME HON. MEMBERS:

Agreed.

The House stands adjourned until 3:00 p.m. tomorrow, Thursday.

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Answers to Questions

tabled

March 16, 1988

Information Tabled by Premier Peckford

With Respect to

Newfoundland Enviroponics Limited .

1988 03 16

Newfoundland Enviroponics Limited

Planting Schedule

Zone 8	Already Planted (1/2 cucumbers and 1/2 tomatoes)
Zone 1	March 21 (on or about)
Zone 2,3, & 4	April 11 (on or about)
Zone 5 & 6	April 25 (on or about)
Zone 7 & 8*	May 9 (on or about)

*Zone 7 & 8 will be all tomatoes. Other zones will be all cucumbers.

Newfoundland Enviroponics Limited
Construction Schedule and Capital Financing

- Construction currently about 94% complete.
- Progress payments totalling \$13,692,600 have been made to date on a total construction contract of \$14,500,000.
- Payments to date have been financed as follows:

Government Equity (NIDC)	\$ 3,500,000
Sprung Equity (Shareholder's Loan)	3,500,000
Government Loan Guarantee	6,246,400
Sprung Guarantee	<u>446,200</u>
	<u>\$13,692,600</u>

- Total project costs are estimated as follows:

Construction Contract	\$14,500,000
Lights	3,000,000
R.S.T Deferral	<u>900,000</u>
	<u>\$18,400,000</u>

- Light fabrication and installation is now substantially complete. This cost will be capitalized into a lease which will be the responsibility of Newfoundland Enviroponics.

INFORMATION TABLED IN THE
HOUSE OF ASSEMBLY ON MARCH 16, 1988 BY
PREMIER PECKFORD
WITH RESPECT TO
THE SUPER PUMA HELICOPTER FLIGHT SIMULATION CENTRE

SUPER PUMA HELICOPTER FLIGHT SIMULATION CENTRE

BACKGROUND

- The establishment of the Super Puma Helicopter Flight Simulation Centre in St. John's is a private business initiative of CHC Helicopter Corporation with financial assistance provided by the Federal and Provincial Governments.
- CHC Helicopter Corporation, a Newfoundland and Labrador based company and the third largest helicopter company in the world, will own and operate the facility through a subsidiary company (Offshore Helicopter Technologies Limited). CHC Helicopter Corporation is a new publicly traded helicopter company, formed out of Okanagan Helicopters Limited, Sealand Helicopters Limited, Toronto Helicopters Limited, Offshore Helicopters Technologies Limited and Aero Flight Holdings Limited.
- The Super Puma simulator will be a state-of-the-art facility and the only one of its kind in Canada. The simulator will train Super Puma pilots working primarily for offshore oil companies; however, other market areas including the military, the commercial market, and search and rescue will be targeted. The objective is to make the proposed simulator base an advanced technological centre (or centre of excellence) in offshore helicopter training that will appeal to Super Puma operators worldwide.
- The facility will represent a cost-effective method of training helicopter pilots in a broad range of standard and emergency manoeuvres without the risks associated with similar training in operational aircraft (\$3,000 per hour for real helicopter time versus \$750 per hour for simulator training).
- The project will provide a level of training that oil companies now require helicopter operators to attain in order to pre-qualify for and maintain offshore related contracts.

FINANCIAL

- The total cost of the Super Puma Helicopter Simulator is \$14.6 million. The Offshore Development Fund will provide a grant of \$4.2 million on a 75/25 Federal-Provincial cost-shared basis, while CHC Helicopter Corporation will contribute \$2.1 million in equity. The Province will provide an \$8.3 million loan guarantee.
- The terms and conditions associated with the Provincial loan guarantee are as follows:

- . A mortgage will be taken on Offshore Helicopter Technologies' (OHT's) facilities; cross guarantees from Sealand Helicopters Limited and any other affiliates which may obtain spin-off benefits from the project will also be obtained.
- . A written assurance from OHT that, where possible and reasonable, it will use local labour, materials and technology in the manufacture, construction and operation of the simulator facility.
- . A representative of the Provincial Government will sit on the Board of Directors of OHT.
- . A specified number of simulator hours will be made available on a free basis, and at reasonable times, to post-secondary institutions in the Province to further their training objectives; the specific number of hours and other related conditions to be determined by the Department of Career Development and Advanced Studies in consultation with OHT.
- . The equity contribution of OHT will flow before Government's grant and loan guarantee is advanced.
- No money from the Offshore Development Fund will be released and no Provincial loan guarantee will be put in place until all of the above conditions have been fully met.

BENEFITS FOR THE PROVINCE

- Existing Super Puma simulators at Aberdeen (Scotland) and Stavanger (Norway) have technical limitations which the OHT simulator will overcome. The Federal Department of Transport advises that this superior technical capability will provide a more effective training experience for pilots and hence will contribute to greater safety in the offshore environment.
- A simulator in St. John's, capable of attracting helicopter operators worldwide, will also benefit the Marine Institute's Offshore Survival Center in that simulator users will be able to take advantage of the Center's short-courses in offshore survival while in the Province. This will raise the Institute's overall profile and international visibility and serve to enhance and strengthen the Province's reputation as a "Centre of Excellence" in the offshore safety and training field.

- A simulator located in St. John's will assist Sealand Helicopters Limited and its affiliates in maintaining a competitive edge over other helicopter companies operating in domestic and foreign environments. Cash-flows accruing from Offshore Helicopter Technologies (OHT), as well as logistical savings realized by not having to travel to Norway or Scotland for simulator training will help place Sealand in a better position to capture offshore contracts locally and also to export its helicopter services worldwide. Sealand has already demonstrated expertise in the international marketing field by securing contracts in Ghana, Senegal, Brazil, Trinidad and Columbia.

- The Province will realize significant economic benefits in terms of employment, labour income and Gross Domestic Product from the construction of a building to house the simulator, the operation of the simulator complex and the expenditure by out of province trainees on accomodation, food and so on. Total direct, indirect and induced employment benefits for the Province are conservatively estimated at 57 person-years during construction and 34 person-years annually thereafter during the operations phase. Estimated labour income during the operations phase is \$700,000 annually and total G.D.P. benefits are estimated at \$2.2 million annually if all revenues accruing to OHT are re-invested in the Province. These benefits take on even greater significance given that Canadian and Newfoundland expenditures for simulator training presently leak out of the Provincial and national economies. Sealand alone spends approximately \$350,000 a year on such training in Norway.

- Fiscal benefits in terms of additional income tax revenues, sales tax and corporate income tax will also be realized by the Province from the purchase of the simulator and the construction of a building to house the equipment, as well as from its ongoing operations.

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