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

***Speaker: Honourable Thomas Lush***

The House met at 2:00 p.m.

Mr. Speaker (Lush): Order, please!

The hon. the Member for Burin - Placentia West.

Mr. Tobin: Mr. Speaker, I would like to ask that you, on behalf of the Members of the House of Assembly, express our sympathy to the family of the late Joe Moulton of Burin, who passed away yesterday. Mr. Moulton had been synonymous in the fishing industry in Newfoundland for the past many years. Mr. Moulton died yesterday morning, he was seventy years of age.

His background, Mr. Speaker, is one of the reasons why I ask the House to send sympathy. He is a man who started off in his early ages fishing in the fishing boat with his father, later to go on and work in the lumber woods. And in 1944, with the opening of the Fishery Products Plant in Burin, Mr. Moulton came back and became employed with that company, first as a truck driver, later as office manager. From 1959 to 1974, Mr. Moulton was Manager of the FP plant in Burin. In 1974, he was appointed Vice-President of FP, responsible for the trawler operations, until 1981, when he served in the capacity of Special Assistant to Mr. Monroe of the FP operation, until 1987.

He is a man who has served the fishing industry, served our Province and our country well in that capacity. And in his latter years, before his death, he invented and patented and has since sold, the rights to the cod tongue cutting machine which we are familiar with in this Province and throughout Canada. He was a great Newfoundlander, Mr. Speaker,

a man who contributed greatly to the fishing industry in this Province. And I ask you, Sir, on behalf of the Members of the House, to express sympathy to his family.

#### Statements by Ministers

Mr. Speaker: The hon. the Minister of Fisheries.

Mr. Carter: Mr. Speaker, I am taking this opportunity to advise the House of the most recent assessment that has been given by the Government of Canada of the overall status of the northern cod stock.

The most recent scientific information on the northern cod stock was provided to the fishing industry at large on May 14 past at a meeting of the Atlantic Groundfish Advisory Committee which was held in St. John's. During this meeting, Federal scientists confirmed that the most recent resource assessment (based on 1989 research surveys) of northern cod has led to a reduction in their estimate of the biomass of northern cod from 1.2 million tonnes to 900,000 tonnes, a reduction of approximately 25 per cent. This, Mr. Speaker, is most disturbing news and confirms the concerns raised by the Harris Review Panel on Northern Cod.

This most recent assessment also shows that the 1986 and 1987 year classes of northern cod are stronger than those of the 1983 and 1984 year classes in particular. Should these year classes survive and recruit into the commercial fishery over the next several years they would have a favorable impact on the overall

northern cod biomass. It must be noted, however, that the 1986 and 1987 recruitment estimates are the initial estimates only and that they could be revised either upwards or downwards, depending on the outcome of follow-up research surveys. I would note, however, that the principal reason for the revised downward estimate of the northern cod biomass results from a revised estimate of the 1983 and 1984 recruitment levels. In this context, it would be premature to put absolute confidence in the assessment of the 1986 and 1987 year classes, since these year classes have not yet recruited into the commercial fishery.

The reduced estimated biomass of northern cod has led federal scientists to calculate a new total allowable catch (TAC) level at the .20 fishing mortality level, representing 20 per cent of the fishable biomass. Scientists are now saying that the revised TAC level at this fishing mortality level would be 100,000 tonnes, as opposed to the previous level of 125,000 tonnes which was based on a higher exploitable biomass estimate.

Mr. Speaker, I should note that the present fishing mortality level for northern cod is estimated by federal scientists to be .53 - in excess of 50 per cent of the fishable biomass - which, of course, is totally unacceptable. If the present fishing mortality level were to be reduced to 40 per cent of the fishable biomass, the TAC generated by this reduction would be 175,000 tonnes, including an estimated illegal 30,000 tonne foreign catch. I might add, however, that Dr. Harris and his Panel have recommended that, as a matter of urgency, there should be

an immediate reduction of fishing mortality to the level of at least .30 and, at the earliest feasible date, to a level of .20.

A reduction of the TAC to a fishing mortality level of .30 or 30 per cent of the spawning biomass, as recommended by Dr. Harris, would generate a TAC of 145,000 tonnes in 1991, including the foreign catch. It is clear, Mr. Speaker, that such a reduction would have further major impacts over and above those already associated with a reduction in the TAC from 266,000 tonnes in 1988 to 197,200 tonnes in 1990. However, I have today written the hon. Bernard Valcourt, Minister of Fisheries and Oceans, and I have reiterated the Province's position that our first priority must be to rebuild the northern cod stock and that we cannot compromise on conservation concerns. Dr. Harris has clearly stated that the stock is not rebuilding at current fishing mortality levels and this consideration alone calls for a reassessment of current quota levels, given the results of the most recent scientific advice.

Mr. Speaker, I do not wish to sound "alarmist" but the most recent scientific assessment results of the northern cod stock give no real basis for comfort over the immediate future. I have, therefore, called upon Mr. Valcourt to commence discussions immediately on how we should approach the management of northern cod for 1991 in a manner that reflects the most recent scientific advice and which also accommodates the major concerns and recommendations of the Harris Review Panel. I have also indicated to the Minister that we should not wait for the "eleventh" hour to agree on those options

which might be considered in the development of a 1991 management plan for northern cod.

In conclusion, Mr. Speaker, the most scientific assessment does not remove our concerns over the condition of the northern cod stock. Indeed, the biomass estimates have been reduced by approximately 25 per cent and will necessitate that every prudent management measure be taken to avoid any further decline in the stock and to ensure stock rebuilding. This could very well involve further quota reductions in 1991.

Mr. Speaker, I table, as well, a copy of my letter to the hon. Bernard Valcourt, Minister of Fisheries and Oceans, Ottawa.

Mr. Speaker: The hon. the Member for Grand Bank.

Mr. Matthews: Thank you, Mr. Speaker.

I would like to thank the Minister for a copy of his statement. I just got it upon arriving in the Legislature so I did not have very much time to peruse the document. I guess most of us in the Province are pretty much aware of what the Minister said today, when we saw what came out of the AGAC meetings just last week, and the matters of great concern pertaining to the biomass estimates, of which they said there is 900,000 metric tons and the biomasses remained stable for the past couple of years. Of course again what is wrong with the scientific data and evidence is that they again overestimated the biomass for the last number of years at 1.2 million metric tons.

It is not very much comfort for the people out and about the

Province again today, and, of course, over the last week looking at the trauma, frustration, and anxiety that has been inflicted upon hundreds of our communities, and thousands of our fishermen and fish plant workers, because of the state of our fish stocks, particularly northern cod. What is really disturbing, I guess, is that here in 1990 we, once again, have this kind of admission by scientists who are responsible for giving us advice on total allowable catches and mortality rates. They are once again admitting that their scientific evidence is inconclusive. As your statement so correctly outlines, the amount of confidence that you can place in their assessments is very, very low. As was pointed out as well, particularly when you look at the 1986-87 year classes of which, I suppose, if there was one positive note coming out of the AGAC meetings and out of the Minister's Statement, it is in the reference made to the 1986-87 year classes of fish. There apparently were more spawn in those particular years, more cod consequently born and swimming in the ocean, and that gives us some reason for optimism as pointed out by Mr. McGuire, the Chairman of AGAC as he points towards 1992. He says by that time if everything remains equal we should see an improvement in the northern cod biomass by that time.

Mr. Speaker, there is so much unanswered about our most important resource that it is very disturbing. There is even now amongst the scientists, I understand, some difference of opinion as to whether there is one biomass or if there are a number of different masses of fish off our shores. Some say there is one, and some say there are two or

three; so that, I think, demonstrates even further just how inconclusive our scientific data, and our scientific research has been in this particular area.

We have so many people in the Province dependent upon this resource that it was encouraging, I guess, another encouraging note from the fish aid package of three or four weeks ago, in that there will be some beefed up research capacity and capability, and my understanding is they are suppose to be stationed here at the White Hills in St. John's. But if ever there was, I guess, the final conclusion to just how important this issue is for the Province, and how inadequate we have been in this area, and how the Federal Government should immediately take note and get on to beefing up the scientific research in this particular area, coming up with some conclusive evidences as to where we should be going in the future, because if you look at the evidence that came out of the AGAC meetings, and again now in the Minister's Statement, it looks like we are going to see a very, very serious reduction in the Total Allowable Catch for next year which is going to close more fish plants in this Province. It is going to throw more fishermen and fish plant workers out of work. And it is going to be absolutely devastating, Mr. Speaker, for the people of this Province.

I commend the Minister on writing Mr. Valcourt, sending a letter saying they should get on about the issue right away of outlying, and I guess discussing and letting the people know well in advance of what is going to happen to them in 1991, and the eleventh hour is not good enough, and I just hope that

the Federal Minister gets together with the Provincial Minister and they very soon, within the next week or so, get on about discussing measures for 1991.

Some Hon. Members: Hear, hear!

### Oral Questions

Mr. Speaker: The hon. the Leader of the Opposition.

Mr. Rideout: Thank you very much, Mr. Speaker. I think it was Thursday of last week that the Minister of Finance in a Ministerial Statement to the House announced some changes in the closing times for all liquor establishments in the Province. Now, maybe inadvertently or not knowing the difference, the Minister has put in a very difficult situation people involved in the restaurant business. Would the Minister tell the House whether or not he has had any time to reconsider changing the status quo for those involved in the restaurant business, and whether he would, in fact, reconsider that part of the changes which were announced by him last week?

Mr. Speaker: The hon. the Minister of Finance.

Dr. Kitchen: Mr. Speaker, these measures which were announced last week are in effect. We have had no representation from anyone, except the hon. Member, that there is any problem with it. As far as I know, everything is fine.

Mr. Speaker: The hon. the Leader of the Opposition.

Mr. Rideout: A supplementary, Mr.

Speaker. Is the Minister aware that there are in the metropolitan Avalon region here a dozen or more business establishments which survive 90 per cent of their business on that particular hour; that they have entered into contracts for entertainment and leasing and so on, and that as a result of the change, many of them are telling us they are going to have to close their doors? I know the Minister would not want that to happen. Is the Minister aware that is the consequence of the regulation change he announced last week?

Mr. Speaker: The hon. the Minister of Finance.

Dr. Kitchen: No, Mr. Speaker.

Mr. Speaker: The hon. the Leader of the Opposition.

Mr. Rideout: Thank you, Mr. Speaker. Could the Minister tell the House whether or not there was any consultation with the Restaurant Owners Association before this particular change was accepted and authorized by the Minister?

Mr. Speaker: The hon. the Minister of Finance.

Dr. Kitchen: I cannot answer that question, Mr. Speaker. I understand there was fairly widespread consultation with Hospitality Newfoundland on that and a number of other issues they wished addressed by the Liquor Licensing Board and by the Government, but I am not sure whether that particular association he mentioned was consulted. I cannot imagine them not being, but I am not sure. I will find out.

Mr. Speaker: The hon. the Leader of the Opposition.

Mr. Rideout: Thank you, Mr. Speaker. Mr. Speaker, would the Minister undertake to carry out a review of the consequences of the particular change he announced? I mean, we are not dreaming up this. The people involved in the business have made representation to us and we are, you know, first of all, politely asking the Minister would he undertake to do an assessment of the effect of the change on that particular sector of the business community, the restaurant sector. Would the Minister undertake to do that, Mr. Speaker?

Mr. Speaker: The hon. the Minister of Finance.

Dr. Kitchen: Mr. Speaker, we are always prepared to look at what we have been doing. I am not going to make any commitment beyond to have a quick look at it. My understanding is that over the years, because the restaurants were licensed to be opened until 3:00 o'clock and could sell alcoholic beverages during a meal, that a number of organizations were established which were really lounges which could operate until 3:00 o'clock; they were not really restaurants in the normal sense of the term, but they were there just for that hour. What we really want to prevent is a lounge operating by another name, so there is that dimension to be looked at as well.

Mr. Speaker: The hon. the Member for Terra Nova.

Mr. Greening: Thank you, Mr. Speaker. My question is to the hon. the Minister of Finance. Could the Minister explain to this

hon. House what rationale he used when he reduced the hours of operating a licensed restaurant from 3:00 a.m. back to 2:00 a.m.?

Mr. Speaker: The hon. the Minister of Finance.

Dr. Kitchen: The rationale being, Mr. Speaker, that we were given the information that a number of organizations were being established as restaurants which were really lounges and they were taking advantage of this extra hour, where the normal lounges would be closed down, to operate basically as lounges with perhaps a very small amount of food, they really were not bona fide restaurants in the normal course of events. That was brought to my attention, so we thought we would have a normal closing hour of 2:00 p.m. for all lounges.

Mr. Speaker: The hon. the Member for Terra Nova.

Mr. Greening: Mr. Speaker, I would suggest the hon. Minister was given false information. Have these licensed restaurants been properly notified that they cannot operate after 2:00 a.m.?

Mr. Speaker: The hon. the Minister of Finance.

Dr. Kitchen: No restaurants need close before 3:00 a.m. All we are saying is that no liquor is to be served after 2:00 a.m.

Mr. Greening: A final supplementary, Mr. Speaker.

Mr. Speaker: The hon. the Member for Terra Nova.

Mr. Greening: Have these licensed restaurants been notified that they cannot serve alcoholic

beverages after 2:00 a.m.?

Mr. Speaker: The hon. the Minister of Finance.

Dr. Kitchen: Mr. Speaker, we announced it here. We made a Government decision and properly announced it to the House. Following the announcement to the House, the undertaking was that the Liquor Licensing Board would then go through the proper procedure: put it in the Gazette to notify the people who would be affected. This may take a day or two, I presume, before it all gets out into the public, where it should be.

Mr. Speaker: The hon. the Member for Torngat Mountains.

Mr. Warren: Mr. Speaker, in the absence of the Minister responsible for wildlife, I direct my question to the Government House Leader. This past week, I heard that successful applicants will be notified within the next few days where they will be hunting big game. Would the House Leader advise this House and advise those potential successful hunters whether they will be allowed to hunt on Sunday or not?

Mr. Speaker: The hon. the Government House Leader.

Mr. Baker: Mr. Speaker, it is a little bit outside my jurisdiction. I will certainly take it as notice. I will get hold of the appropriate officials and I will notify the Member and the House.

Mr. Speaker: The hon. the Member for Torngat Mountains.

Mr. Warren: Thank you, Mr. Speaker. My supplementary to the

Minister. Would the hon. Minister advise if the Department has plans, when the successful hunter is advised, to include an information package with the successful application advising the hunter whether or not Sunday hunting is allowed?

Mr. Speaker: The hon. the Government House Leader.

Mr. Baker: Thank you, Mr. Speaker. It is my understanding that right now Sunday hunting is not allowed. Is that correct? I mean, that is my understanding. It has also been indicated to this House by the Minister that there has been no decision taken by Cabinet to change anything that presently exists. Now, Mr. Speaker, I will again take it under advisement just to make sure, because it is not in my particular area, and I will notify the hon. Member as soon as I can.

Mr. Speaker: The hon. the Member for Torngat Mountains.

Mr. Warren: Thank you very much, Mr. Speaker. My final question to the Minister. I guess the Minister realizes that there are over 35,000 signatures on petitions to the Government asking for Sunday hunting. There are 35,000 potential hunters out there who would hope there would be Sunday hunting. They are asking the Government to make a decision, and within the next three or four days those hunters will be advised if they are successful or not. Surely goodness the Minister cannot ignore 35,000 signatures!

Mr. Speaker: The hon. the President of Treasury Board.

Mr. Baker: Thank you, Mr. Speaker. I can advise the hon.

Member that there will no change over what has been happening in the last number of years in terms of what is being sent out to the hunters for this particular hunting season. I understand there is a petition. Government has not even considered the situation, or considered changing the situation. Mr. Speaker, when Government is prepared to change its position, then, obviously, Government will advise the House.

Mr. Speaker: The hon. the Member for St. Mary's - The Capes.

Mr. Hearn: Thank you, Mr. Speaker. My question is to the Minister of Education. A number of schools in this Province are small schools, they are there now and they will be there many years in the future. I ask the Minister, in spite of the centralization tendencies of his colleagues, will he assure that small schools are not overlooked by this Government?

Mr. Speaker: The hon. the Minister of Education.

Dr. Warren: Thank you, Mr. Speaker. The answer is no. Certainly, small schools which are necessary will not be overlooked. In fact, it is the intention of this Government to provide greater equality of educational opportunity, and for students who must attend small schools, certainly we will want to enhance these opportunities.

Mr. Speaker: The hon. the Member for St. Mary's - The Capes.

Mr. Hearn: Mr. Speaker, I ask the Minister is he aware that the Ontario Institute for Studies and Education, better known as OISE, wanted to sponsor a small school



seminar in Newfoundland but apparently could not find a sponsor?

Mr. Speaker: The hon. the Minister of Education.

Dr. Warren: Yes, Mr. Speaker, I am aware of that request. The Department of Education has considered it. I think perhaps in a year from now we will be ready to cooperate with the Ontario Institute for Studies and Education with such a conference.

At the present time, we are studying a number of reports. The hon. Member is aware of a Small Schools Report they commissioned. I am not sure what has been done to implement the recommendations of that report, but we are studying that. We have also appointed a consultant to do programming for small schools, and we are looking at small schools, in all parts of the Province at the present time, to see where they are necessary.

I think there are two types of small schools, Mr. Speaker, and we are trying to examine which category each falls in. There is one which is necessary, which you cannot centralize, which people have a right to attend, and certainly we have to preserve these and enhance them.

There are other small schools, Mr. Speaker, which may be able to share with other denominations, and we are in the process of looking at that, at the present time, as well.

Mr. Speaker: The hon. the Member for St. Mary's - The Capes.

Mr. Hearn: Mr. Speaker, the question to the Minister is, why

decide to wait a year? OISE, I understand, is interested in sponsoring the conference and would like to sponsor it this year. If there is a place in the country which needs some attention focussed on small schools, it is the Province of Newfoundland. Many of the teachers in small schools figure they are overlooked and wonder why the Department of Education wouldn't take the leadership, as it has in the past in dealing with small schools, and sponsor a conference to be held this year by OISE.

Mr. Speaker: The hon. the Minister of Education.

Dr. Warren: Mr. Speaker, I ask the hon. Member why teachers feel they have been overlooked. I wonder why teachers feel they have been overlooked in small schools. I agree they have been overlooked, but this Government is going to address that. We are doing a number of things right now, and there are hundreds of recommendations in that Small Schools Report that were never implemented. One of these days, I might go through with the House the number that were implemented as a result of a study done on small schools. We intend to focus on these schools and perhaps, when the money is available, we will sponsor such a conference ourselves. But, this year, we just don't have the resources to do it.

Mr. Speaker: The hon. the Member for Harbour Main.

Mr. Doyle: Thank you, Mr. Speaker. I have a question for the Transportation Minister, but maybe the House Leader could answer. Some time ago, Government announced its intention to

implement the point system. I want to ask the Minister, is that plan still in effect and on schedule, and if Government is, in fact, giving any consideration to delaying implementation of the point system?

Mr. Speaker: The hon. the Premier.

Premier Wells: Mr. Speaker, we are not considering delaying the implementation of the point system. There is no reason to delay its implementation.

Mr. Speaker: The hon. the Member for Harbour Main.

Mr. Doyle: A supplementary, Mr. Speaker, and, again, if the House Leader or the Premier wants to answer, fine. Does the Government have any proof which can be shown us here in the House of Assembly, or any statistics of which he can make us aware, that implementation of the point system in the other provinces has had the effect of reducing accidents or fatalities? We know seat belt legislation had that effect. Are there any such statistics of which Government could make us aware, or table in the House?

Mr. Speaker: The hon. the Premier.

Premier Wells: Mr. Speaker, when the former Government considered it and started to put it in place and then backtracked on it and withdrew it, my recollection at the time -

Mr. Simms: (Inaudible).

Premier Wells: That is not accurate, by the way.

- my recollection at the time is that the indications were that the point system did work and did make

a contribution towards safer driving and fewer accidents, and may well have been a contributing factor in saving lives and injuries. Now, how you prove if it saved any particular life at any given point in time is impossible, but, obviously, anything that enforces the application of the law will be of value. People should not complain about suffering a penalty for breaking the law. Even us Members of the House, who exceed the speed limit on occasion, if we break the law, we should not have any basis for complaining about the consequences of breaking the law.

Mr. Speaker: The hon. the Member for Harbour Main.

Mr. Doyle: A final supplementary, Mr. Speaker. The Government promised an extensive educational campaign before implementing the point system. So far, I am sure the Government will agree, we have seen very, very little in that regard, in the way of an extensive educational campaign. Is that still the Government's intention? If so, when will this extensive educational campaign get off the ground?

Mr. Speaker: The hon. the Premier.

Premier Wells: Mr. Speaker, my recollection is that the Minister indicated at the time that he would carry out an educational campaign. The 'extensive', I do not know where that comes from, if it was dreamed up by the hon. Member or if the Minister actually said it at the time. But I will certainly check with him. My recollection is that pamphlets have been prepared and have been sent out. I believe that has been done. They have been mailed out, I think, in the light bills, or

some procedure like that. There may well be other education campaigns through the news media.

Mr. Speaker: The hon. the Member for Kilbride.

Mr. R. Aylward: Thank you, very much, Mr. Speaker. I also had a question for the Minister of Works, Services and Transportation, and in his absence maybe the President of Treasury Board could give me an answer.

An Hon. Member: (Inaudible).

Mr. R. Aylward: Or the Premier, Mr. Speaker.

Mr. Speaker: Order, please!

Mr. R. Aylward: Over the weekend we have had reports of more of the anti-St. John's attitude of this Government, Mr. Speaker, in that they are going to take jobs away from St. John's by transporting Labrador freight from Lewisporte rather than St. John's, which is important.

The other one is they are trying to negotiate away the \$69.2 million for the Outer Ring Road. The Minister of Works, Services and Transportation reported this weekend that he is again having another study done into the need for the Outer Ring Road, a transportation issue which must be the most studied in Newfoundland's history, Mr. Speaker. Would the President of Treasury Board inform this House who will be doing this new study into the outer ring road?

Mr. Speaker: The hon. the Premier.

Premier Wells: Mr. Speaker, I have to correct some of the misstatements in the hon. Member's commentary before asking the

questions. The misstatement was in relation to this Government's bias against St. John's. Let me tell this House that this Government loves St. John's, particularly the voters of St. John's who gave us two-thirds of the seats in St. John's. We think St. John's is a terrific place.

At the same time, Mr. Speaker, I must point out that we have a great affection for the remainder of this Province, a very deep and abiding affection for the remainder of this Province. We are dedicated to fairness and balance, and we are going to run this Province on a basis that takes into account the interest of the people of all parts of the Province. In particular, Mr. Speaker, we are going to provide a reason for the continued existence and prosperity of St. John's to be the capital of a very prosperous Newfoundland and Labrador. We can only achieve that, Mr. Speaker, if we recognize that there are other parts to this Province besides the Capital City area and a few other regional centres. We have to provide for economic development and the fair sharing of governmental expenditures to the economic benefit of all parts of the Province, and one part of the Province that will benefit most by helping other parts is St. John's, the Capital it will be.

Some Hon. Members: (Inaudible) the Outer Ring Road.

Premier Wells: Now, Mr. Speaker, having corrected the misstatements, let me answer specifically the questions with respect to the Outer Ring Road. As well as having a deep and abiding affection for the people of the whole of this Province, we have a deep and abiding concern

about their safety in driving on the Trans-Canada Highway. There are parts of the Trans-Canada Highway in this Province which were allowed to get into a desperate condition in recent years, some parts of it in very serious condition, west of Clarendville, in that area in particular, and we are very, very concerned that we give the proper priority to highroad reconstruction so that we can protect the people of this Province from injury and death on the highway.

Some Hon. Members: Hear, hear!

Mr. Matthews: John Murphy will shake you up, boy, when he comes in after you with all the mayors.

Mr. Speaker: The hon. the Member for Kilbride.

Mr. R. Aylward: Thank you very much, Mr. Speaker. It is encouraging to see the Premier's change in attitude towards the City of St. John's, an area which he characterized as being a parasite city some years ago.

Some Hon. Members: Hear, hear!

Mr. Tobin: And it is in Hansard too, by the way.

Mr. R. Aylward: And the Premier has changed his attitude about the Trans-Canada Highway being upgraded for the safety of Newfoundlanders, since he has delayed construction and upgrading in the Humber Valley area, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. R. Aylward: Mr. Speaker, I guess some of these statements the Premier made we can see to be

completely false. I asked a very simple question: Who is doing the new study on the Outer Ring Road? And just in case he has the answer to that, I would be interested in knowing how much this new study is going to cost the taxpayers of this Province, on a road which has been studied to death so far?

Mr. Speaker: The hon. the Premier.

Premier Wells: There were three questions or commentaries that need to be addressed. One is the question of my treating St. John's as a parasite, or claiming that St. John's is a parasite.

Some Hon. Members: Oh, oh!

An Hon. Member: I remember it.

Ms Verge: In your earlier career.

Premier Wells: I well remember what I said. I well remember what I said. And, if you look back, you will find out that I talked about people such as lawyers being parasites. I could do so. I am a lawyer. We are parasites. We live off other people. We don't generate original dollars like fisherman and loggers and miners do; we are parasites; we live off the dollars the rest -

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please! Order, please!

Premier Wells: - of the workers produce. St. John's doesn't generate original dollars, it lives off being the Capital of this Province, of the Province that encompasses fishermen and loggers and miners who produce product which produces original dollars. And we, all of us in this House, are parasites, living

off the fishermen and the miners and the loggers and don't ever forget it! Without those people who produce the original dollars we are nothing, we have only handouts from Ottawa, and don't you ever forget that! Now, to that extent, we are parasites.

Mr. Tobin: That is not right. What about this gentleman here?

Premier Wells: I had forgotten two or three of the others. Humber Valley was the next thing. The work on the road, on the four laning of the highway in Humber Valley is proceeding, the preparation for that. There is no delay on that.

Ms Verge: (Inaudible) has been delayed for a year.

Premier Wells: I will tell the hon. Member to hold on to her horses. There is no delay, except to the extent that it may be caused by the Federal Government. There is no delay caused by this Provincial Government. They don't like that!

Some Hon. Members: Oh, oh!

Premier Wells: Yes, that's right. Okay. Except to the extent that we have difficulty getting them to release funds for anything outside St. John's. That is our concern.

Now the question about a study on the Outer Ring Road. We have had an assessment and we, Mr. Speaker, are satisfied that there is a need for an Outer Ring Road around St. John's. We are satisfied that the need is there, but the need is much lower on the level of priorities than the need, for example, for the rejuvenation of the strip of highway between Port

Blandford and Clarendville. That need is even greater, so, Mr. Speaker, we are putting the priority where the need is!

Some Hon. Members: Oh, oh!

An Hon. Member: Maybe if you drove over the highway you would know what you are talking about.

Mr. Tobin: Instead of flying around in helicopters and jets.

An Hon. Member: Use your car allowance and see what the highway is like.

Mr. Tobin: Go buy a car and let Dave Gilbert come back in the House after selling cars all week.

Mr. Speaker: Order, please!

The hon. the Member for Kilbride.

Mr. R. Aylward: Thank you, Mr. Speaker. I am delighted the Premier decided to answer those questions, because the more he says the more he confirms my belief that this is certainly an anti-St. John's Administration. I can agree with one statement the Premier made, I agree that he and his Cabinet are parasites in this Province.

Mr. Speaker, the Premier said they now agree that there is a need for the Outer Ring Road in St. John's. I am glad to hear that, because that is a change or new information from his own Minister, Mr. Speaker, who said this weekend, in the papers, that they are studying the need for an Outer Ring Road. Maybe he can get together with his Minister, Mr. Speaker.

Mr. Speaker: Order, please!

The hon. gentleman is on a supplementary. He gave the (inaudible). All this happens when we get into long questions. I would ask the hon. gentleman to get to his question, please!

Mr. R. Aylward: Thank you, Mr. Speaker. I am sorry, Mr. Speaker, I got carried away there.

Mr. Speaker, I want to know why the Minister of Transportation said this weekend that there is another study being done; I want to know the cost of this study; I would like to know when this study is supposed to be presented to the Department and to the public of this Province. I would also like to know if the Minister of Transportation has started his negotiations with the Federal Government on revising the conditions of the Roads for Rails Agreement, Mr. Speaker, so that he can take the \$69.2 million away from St. John's, as he has said he is going to do.

Mr. Speaker: The hon. the Premier.

Premier Wells: Mr. Speaker, there are a number of questions, but let me correct an error I made. It is not the strip from Port Blandford to Clarenville, it is the area east of Clarenville that needs to be corrected. And there are other areas across the Province that are in dire need of correction, and the need for that is much greater than the need for the Outer Ring Road.

Mr. Tobin: The Burin Peninsula Highway?

Premier Wells: Mr. Speaker, I was on the Burin Peninsula Highway this past week. The Burin Peninsula Highway needs some renovations; the road down to

Argentia needs a good deal of work, too.

Mr. Tobin: The Burin Peninsula Highway had \$17 million approved; number two on the list of works gone to Ottawa, so (inaudible).

Premier Wells: But, Mr. Speaker, the Minister of Works, Services and Transportation is not in his seat in the House today because he is in Ottawa trying to salvage and get some benefit for Newfoundland out of the mess the former Government created when they signed the Roads for Rails Agreement, when they sold out the transportation future of this Province in the way in which they did. We are doing our best to try and salvage it and make some sense of it, and the Minister of Works, Services and Transportation is right at this moment negotiating in Ottawa to try and get some corrections, Mr. Speaker.

Mr. R. Aylward: Negotiating to take that money away from St. John's, is what he is doing.

Mr. Speaker: The hon. the Member for Green Bay.

Mr. Hewlett: Thank you, Mr. Speaker. A question to the Minister of Fisheries. We recently noticed the speedy bail-out of the Twillingate plant. On the weekend, we heard about Brig Bay. Little Bay Islands, in my District, has been turned down for financial assistance from the Government. I would ask the Minister of Fisheries, does a fish plant have to be in a Liberal District to receive speedy and sympathetic consideration?

Mr. Speaker: The hon. the Minister of Fisheries.

Mr. Carter: Absolutely no, Mr. Speaker.

Mr. Speaker: The hon. the Member for Green Bay.

Mr. Hewlett: Mr. Speaker, again to the Minister of Fisheries. We are getting into a situation where there are people working in fish plants whose claims are running out, they are not going to get enough stamps to get UI again this year. While we are waiting for Dr. House to take six or seven years to bring in his Twelve-Month-A-Year Job Program, what would the Minister of Fisheries suggest the people in those communities do?

Mr. Speaker: The hon. the Minister of Fisheries.

Mr. Carter: Mr. Speaker, if he is referring to the plant in Little Bay Islands - I presume that is what is prompting the question - that plant applied to the Government for financial assistance and was turned down on the basis, in the opinion of the officials of the Departments of Finance and Fisheries, that it did not show very much promise. In fact, they have a shortage of resource, a shortage of capital, and you could not possibly -

An Hon. Member: And massive losses (inaudible).

Mr. Carter: Pardon?

An Hon. Member: And massive losses in previous years.

Mr. Carter: Massive losses in previous years, and we could not justify giving it a new loan. It is simple as that.

Mr. Speaker: The hon. the Member

for Green Bay.

Mr. Hewlett: Thank you, Mr. Speaker. I was on a TV panel Friday Evening, with my colleague from Bonavista South, and his response to this was that people would have to depend on the Feds if their claims ran out. Is this the answer this particular Government has in rural Newfoundland, that if you get in trouble, you have no UI and you are faced with welfare, you have to depend on the Feds?

Mr. Speaker: The hon. the Minister of Fisheries.

Mr. Carter: Mr. Speaker, there is one thing the hon. Member does not seem to understand, that the Provincial Government did not cause the problem we are having today in the fishing industry. The fact that the plant in Little Bay Islands could not justify getting an extension to an existing loan guarantee, the problem can be traced back to the business of poor management on the part of the Federal Government. It is not the Province. We are not managing the fish, Mr. Speaker. And the fact that the fish in that area are in such short supply that there are not enough to keep that plant operating in a viable way, that problem rests squarely on the shoulders of the Federal Government, and there is not much we can do about it, Mr. Speaker, in that respect.

Mr. Speaker: Question Period has expired.

Some Hon. Members: Hear, hear!

#### Notices of Motion

Mr. Speaker: The hon. the Member for St. Mary's - The Capes.

Mr. Hearn: Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce the following resolution:

WHEREAS the present unemployment situation in the Province is a concern to all;

BE IT RESOLVED that the Provincial Government immediately take whatever steps are necessary to assure corrective action.

Some Hon. Members: Hear, hear!

Answers to Questions  
for which Notice has been Given

Mr. Speaker: The hon. the Premier.

Premier Wells: Mr. Speaker, some days ago, on May 18, the hon. the Member for Torngat Mountains asked me whether or not Colonel Engstad had met with the Mayor of Hopedale. I advised him that I would check and see. I indicated at the time I had asked Colonel Engstad to meet with the Mayor of Hopedale. I have had the matter checked out. I do not recall the specifics of my conversation with Colonel Engstad, but I asked him to meet with the people involved, whether it was the mayor or not, I do not know, but Colonel Engstad acted immediately and sought out the people concerned. -

What the situation was three hunters from Hopedale had gone in to the low level flying area, the marked range, some eighty miles away from Hopedale, and had, in fact, hunted without notifying the base; they were in there because any time they notify the base they

will change the direction of the planes so as to avoid the area where the hunters are going to be. The hunters failed to do that. They went into the range. Colonel Engstad has spoken with them and I am assured, Mr. Speaker, that the matter is under complete control and they are totally satisfied, and in future they will do that - they will contact Colonel Engstad and let him know.

In the meantime he has also assured me that if the hon. the Member for Torngat Mountains wishes to speak to Colonel Engstad directly - if he has any other particular problem - the Colonel will be most pleased to set up a meeting or a telephone conversation.

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An Hon. Member: (Inaudible).

Mr. Speaker: Oh, I am sorry. A petition?

An Hon. Member: A petition.

Mr. Speaker: We will revert back to Petitions, the hon. the Member for Menihek.

Some Hon. Members: Hear, hear!

Mr. A. Snow: Thank you, Mr. Speaker.

I have a petition in response to the Government announcement on Friday with regard to the air subsidy on transportation out of Labrador. It is a petition that is signed by 127 people who are residents of Labrador City and Wabush, and the prayer of the petition that is asked to be



presented to this House is that: We the residents of Labrador West are concerned that the Government of Newfoundland and Labrador has cut the Labrador Air Passenger Subsidy and has thereby unacceptably increased the burden of transportation costs on the residents of this Province who live in Labrador;

Wherefore your petition has urged the Government of Newfoundland and Labrador to reconsider its decision and to reinstate the Labrador Air Passenger Subsidy Program to its original levels.

Mr. Speaker, the Labrador Air Passenger Subsidy Program instituted about twenty-four or twenty-five years ago under a previous Liberal Administration is something that was welcomed at the time of its implementation and is denounced now in the fact that it has been discontinued. The Minister of Works, Services and Transportation, when he announced the cutting of this particular program, suggested the main reasons for cutting the program was because of the lack of use and the high cost of administration. I repute both those arguments. Over 6000 people have used that program this past year, have applied for a grant or a subsidy, and that represents 20 per cent of the population of the residents of Labrador, so there was indeed a lot of use of this particular program.

The high administration costs; I do not understand why it would be so difficult to administer. In fact, yes, it may indeed have incurred some work on behalf of public employees here in St. John's, and it could have undoubtedly been done, and I believe it has been done

previously by people submitting applications at financial institutions such as a bank, so the administration costs could have indeed been lowered. The Premier stated some of his reasons, and also the President of Treasury Board stated some of his remarks with regard to previous petitions. Some of their reasons for not continuing with this particular program was because of the abuse of the program, and I submit to Members of this House, that while indeed there may have been some people who abused this particular program, I would think that there are probably an awful lot of programs that the Government has available, or services that the Government makes available to all the residents of this Province, that are sometimes indeed abused. The particular program is not discontinued because of a certain amount of minor abuse to it. What you do is curtail and stop the abuse. You do not discontinue the program.

Another argument that has been presented by the Government Members with regard to why this particular subsidy was discontinued was the fact that the Provincial Government now pays a travel allowance to the Island portion of the Province for provincial employees that reside in Labrador. Well, I find that upsetting to say the least, in the fact that it is high time that provincial employees in Labrador have been able to take advantage, or be paid a travel allowance to and from the Island portion of the Province, when all the major employers, as has been stated in this House several times, have paid this allowance, and now the Government expects all the residents of Labrador alone to pay this increase in salary, or

remuneration, to the public employees given this raise now, the residents of Labrador are asked to pay for this raise by losing a benefit. That is completely unfair and I do not know of any other region of this Province that is expected to do that.

Mr. Speaker: Order, please!

The hon. gentleman's time is up.

Mr. A. Snow: Thank you, Mr. Speaker.

Mr. Speaker: The hon. the Member for Torngat Mountains.

Mr. Warren: Thank you, very much, Mr. Speaker.

I rise in support of the petition presented by my colleague. On Friday past when the Government announced the discontinuation of the air subsidy program the Premier left many unanswered questions to the people of Labrador. The Premier failed to give the real answers. As is noted the Premier time and time again fails to give the correct answers. During the past weekend I took the opportunity of looking through the voter's list in my District and in the District of Eagle River, and I want to let this House know that 64 per cent of the voters in both Districts are not working with Government, or with other agencies that give a trip to the Island and back again.

So when the Premier and the House Leader say that most of the people in Labrador are going to be looked after with the Air Subsidy Program, I just want to advise them that in those two Districts I looked at, in particular, 64 per cent will not be, and these are

only the people over eighteen years of age that cannot qualify under some other Government program. I say again, Mr. Speaker, it was most unusual that the five Cabinet Ministers had their minds made up three weeks ago and then would wait for the two Members from Labrador on the Government side to be absent from the House because of other commitments, to come in and make that announcement. Because I am confident, that my hon. colleague from Eagle River, who, I know, is very, very upset, is definitely not in favour of this Government's action.

Mr. Speaker, I believe what the Government should do is go back and review this Air Subsidy Program, just review it and, if need be, cut out those who do not need it, but surely goodness, don't take it away from a lady who left Churchill Falls last Thursday and came out to see her dying husband down in St. Clare's, and she had to cough up \$590. These are the people who are going to be hurt. This lady could not get any other assistance. Think about the senior citizens who come out of Main or Cartwright to see their families. These are the people who are going to hurt and I say, again, the Government, by cutting out this air subsidy, are making the rich richer and the poor, poorer.

Mr. Speaker: The hon. the President of Treasury Board.

Mr. Baker: Thank you, Mr. Speaker.

I thank the Member for Menihek for presenting the petition to the House.

The matter of the air subsidy is one of great concern, I am sure,

but I would like to share with hon. Members the rationale behind the second decision on it.

Mr. Speaker, we have, over the last number of months, started to have a look at many Government programs that have been in existence for a number of years. We do not subscribe to the notion, Mr. Speaker, because something has been in existence for a long time, that it automatically has to be continued. So we are looking at a lot of Government programs, and it has become obvious in the last few months that there are some of these programs we have decided to cut. I should like to inform the House, Mr. Speaker, that there are a lot more that we are going to have to have a look at and make decisions on, a lot more in the totality of Government that we are going to have to make decisions on. These decisions were made, not hastily, but for certain reasons.

When the air subsidy was first brought in, there was a very definite need, just like a lot of the programs. Programs originate because of a need, and I would give the same answer to a question about the Ombudsman; same thing, when it was brought in, there was a need. In the interim, there have been a lot of other programs developed that partially or totally meet that same need. So over a period of twenty years, the situation changes. Now, Mr. Speaker, the Opposition is trying to give the impression that this 20 per cent air subsidy that they cut from 25 per cent and had thought of reducing 5 per cent a year to kind of soften the blow; this program was one of the ones we decided to cut, because there were other programs that impacted on the effect of that particular

program.

It was mentioned that a lot of employers have instituted their own programs. Government, itself, Federal and Provincial Governments, have instituted programs. Some arms of Government, like municipalities, have instituted programs to help with air subsidy. We provide the air subsidy program for travel within Labrador; we subsidize the travel on the coast of Labrador. The Federal Government makes special allowances in terms of northern living in the income tax system. There are a lot of things built in. The student aid system builds in extra money for people. I believe they allow for one trip a year back and forth in terms of the total amount of grant and loan a student can get. So there are a lot of things that have been brought in, in the interim, in that twenty years, that lessened the impact of that particular program, and what we did find, Mr. Speaker, was that whereas the impact of the program was lessened, also there was a certain level of abuse. Now, the reason we cancelled was not because of the level of abuse, that was only one of the factors, and sometimes the press tends to pick up the more spectacular things.

So all of these things put together, Mr. Speaker, weighed against so many of the other needs, dictated to us that there were programs we had to cancel, and this happened to be one of them, we have looked at it again. We have done a second examination, Mr. Speaker, and I am not hopeful that a third examination would end up with any different result. But I understand the Member bringing in the petition and that some people are concerned about it.

All I can say, Mr. Speaker, is that we have had to make some hard decisions, not only concerning Labrador, but concerning the whole Island, and we are going to have some other very hard decisions to make in the next six to eight months. This is one of these hard decisions, Mr. Speaker, that we intend to stick with.

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Mr. Warren: Mr. Speaker, on a point of privilege.

Mr. Speaker: The hon. the Member for Torngat Mountains, on a point of privilege.

Mr. Warren: Mr. Speaker, thank you very much.

I refer you, Sir, to Hansard No. 37, R8, of May 18th. I would think that you will want to review this excerpt and make a decision.

At that time, Mr. Speaker, I asked the Premier this question: I ask the Premier today, will he meet with the concerned citizens in Hopedale?"

The Premier's answer, and I quote: "I have not been asked to meet with them, Mr. Speaker."

Now that is not true, that is incorrect, that is false, Mr. Speaker. I have here a copy of a letter that was sent to the Premier. The Premier's Office acknowledged a copy of the letter to the Town Council in Hopedale, so therefore, Mr. Speaker, I would think it would be only appropriate for the Premier to withdraw those remarks, "I have not been asked to meet with them." Mr. Speaker, that is incorrect.

Mr. Baker: The hon. the Government House Leader.

Mr. Baker: Mr. Speaker, I could go through a lot of quotations - it is obviously not a point of privilege. The Member's privileges have not been interfered with; he can still function as a Member of this House and it has nothing to do with his operating as a Member of this House.

The point in question, I believe, was one that the Member gave notice of. Did the Member give notice of that at some point in time? Because, if not, then I believe, Mr. Speaker, that some time has elapsed.

An Hon. Member: It was in Friday's Hansard.

Mr. Baker: Oh, he just had a chance to read Friday's Hansard.

An Hon. Member: Right.

Mr. Baker: Alright, Mr. Speaker, if this is the first opportunity, really, at the beginning of the session today was the first opportunity.

Mr. Speaker, it is obviously not a point of privilege. It does not interfere with his functioning as a Member of this House and has nothing to do with privileges of Parliament. The Member is simply making a point that he wishes to make and he is using language there now that is not acceptable, totally unparliamentary. Mr. Speaker, he is simply trying to disrupt this House, as he is wont to do sometimes.

Mr. Warren: (Inaudible).

Mr. Speaker: Order, please!

Order, please!

I remind the hon. the Member for Torngat Mountains that it is not parliamentary language to be talking about lies. There are other ways in which the hon. Member can express himself, and if he insists on that, then I am going to have to ask the hon. Member to do the appropriate thing. I ask the hon. Member to withdraw the comment, please.

Mr. Simms: Mr. Speaker.

Mr. Speaker: The hon. the Opposition House Leader.

Mr. Simms: Thank you.

Mr. Speaker, I want to re-emphasize the point the hon. Member is making. It was the earliest opportunity, although he could have raised it at the beginning of the session, but he waited until after Question Period. I don't think that is a valid argument. The point the Member was making is that he has a copy of the communication written by the Mayor of Hopedale wherein, and I think he just tabled it, and the Premier could have a look at, they did ask the Premier for a meeting. From Hansard on Friday, the Member quite correctly quotes the Premier, on page R8, the Premier says: "I have not been asked to meet with them, Mr. Speaker."

Now clearly the Member would have no other recourse other than to raise a point of privilege to draw this to the attention of the House. There is some misinformation here. Albeit, it may very well have not been delivered on the part of the Premier, or it may have been misunderstood on the part of the

Premier, or the Member may have a misunderstanding. But as I understand it, the communication asks for a meeting with the Premier. The Premier is shaking his head now, indicating that it does not ask for a meeting. If that is the case, well then I am sure the Premier will take the opportunity to correct it. If it is, then obviously something is incorrect.

Mr. Speaker: The hon. the Premier.

Premier Wells: Mr. Speaker, this again is typical of what that hon. Member does. I have spoken about it a number of times in this House. He is following his normal pattern, and it demonstrates to all and sundry why I will not trust a word that the hon. Member says. Now I am in that position where I cannot accept it.

Now, here is the letter. Here is what I said on May 18, in response to what the hon. Member said: "I ask the Premier today," May 18, "will he meet with the concerned citizens in Hopedale?" And I replied: "I have not been asked to meet with them." This what this hon. Member now says is false, and he says is lies: "I have not been asked to meet with them, Mr. Speaker, there is no need for me to meet with them. As a matter of fact, I would say on either the 3rd or 4th of May I telephoned Mr. Vincent. Somehow or other, the hon. Member had the letter Mr. Vincent wrote to me before I had it. I do not know how that happened. I do not know how those discourtesies take place, but in any event they do.

Nevertheless, when I received Mr. Vincent's letter, I telephoned him immediately. I will explain to the House the level of concern,

and the House will then understand, I am sure, and endorse fully the action."

Now here is the letter that the hon. Member just tabled. This is a letter not to me, Mr. Speaker, but to the hon. Member from an Albert Jackman who is Deputy Mayor. That letter says this, Mr. Speaker, 'I understand Premier Wells said in the House of Assembly yesterday he would meet with concerned citizens with respect to military activity.' This is dated May 3. 'I, therefore, request that you, as our Member, request Premier Wells to come to Hopedale immediately and meet with the Community Council. We are gravely concerned with activities of the military in our traditional hunting ground.'

So that was to the Member to ask me. It was the first I have seen of the letter. For the Member to stand in this House today and accuse me of deceiving the House is just another example, Mr. Speaker, of why every time that Member stands on his feet, my immediate reaction is to check with somebody else because you cannot trust a word he says.

Mr. Speaker: Order, please!

Is the hon. Member speaking again to the point? I will hear one more submission from the hon. Member.

Mr. Warren: Thank you very much, Mr. Speaker.

I would ask you, Sir, to ask the Clerk of the House to get a copy of the letter that was tabled here on Friday and you will see, Sir, that letter was addressed to the Premier of the Province.

Mr. Speaker: The Chair will review the appropriate documents and reserve a decision.

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Mr. Speaker: The hon. the Opposition House Leader on a point of privilege.

Mr. Simms: Or, on a point of order, probably more appropriately.

I would like to refer to the Premier's response again, as has occurred in the past. I am trying to find the reference here in Beausheerne. The Premier makes reference to the fact that he will not trust the hon. Member's word. Now I think the Premier would be well aware, and I am sure Your Honour is well aware, that that kind of language used against another hon. Member, no matter how upset one may be, is absolutely and totally unparliamentary and I would suggest to Your Honour that the Premier be asked to withdraw those words.

Mr. Speaker: The hon. the Government House Leader.

Mr. Baker: Thank you, Mr. Speaker. What the Premier has said in this House on a couple of occasions is because of the record of things which have happened, that he cannot trust the word of the hon. Member, and he has always gone on to say that he will check into the situation with other people and so on.

Now today, Mr. Speaker, you have a prime example. The Member got up and gave the impression that he was tabling a copy of the letter that was sent to the Premier, which he happened to have in his

possession, to prove that the Premier did receive a request from the residents of Hopedale. That is the impression the Member gave in his speech and so on. So he tabled the letter, Mr. Speaker, and we find out that it, in fact, does not do that at all. That is not the letter he claimed he had at all.

An Hon. Member: Shame.

Mr. Baker: It is a totally different letter, a personal letter to him on something totally different from what he led the House to believe the letter was. Now, Mr. Speaker, it is just ample proof that if this kind of thing is going to go on in this House, then no wonder we are going to have to question statements made by the hon. Member. We are going to have to question them, and the Premier is simply questioning this type of activity.

Mr. Speaker: Order, please!

The Chair is ready to rule on the point of order. Many times in the heat of debate a Member will make certain reference to another Member as a result of not having the appropriate materials or lacking confidence, this kind of thing. And the Chair just viewed the expression by the Premier as sort of lacking confidence, as many Members say, with Government and with - and there is no real point of order, but again the Chair would advise hon. Members of the necessity for respect for each other.

The hon. the Opposition House Leader.

Mr. Simms: Mr. Speaker, it is a new point of privilege, but it is further to the earlier question

raised by the Member, because there is now some confusion. I want to clear it up once and for all. Because Your Honour said he would take it under advisement, he will need this to rule on, and now the Premier will be able to see this letter. The letter of the hon. Member for Torngat Mountains -

Mr. Baker: (Inaudible) new point of privilege?

Mr. Simms: I will tell the hon. the President of the Council, if he will just settle down. The Member for Torngat Mountains, earlier when he spoke, tabled a letter he had received from the community of Hopedale, but the letter he was referring to, wherein the Premier had been requested to hold a meeting with the Council, was tabled in this House last Friday, and here is that letter. I will table it again so the Members can show the hon. the Premier.

Some Hon. Members: Read it.

Mr. Simms: It just says, 'To the hon. Clyde Wells, dated May 4th, Community Council of Hopedale. The residents of Hopedale are very concerned about the military activities in the Hopedale area. Therefore, we are requesting you to come to our community to meet with the Community Council. Your immediate response would be appreciated.' May 4th.

On May 18th the Premier says, 'I have not been asked to meet with them, Mr. Speaker.' That is the point, and that is something which needs to be cleared up. I will table this so that the Premier can have a quick look at this particular copy.

An Hon. Member: From the 4th to

the 18th?

Mr. Tobin: Now who can't be trusted?

Mr. Speaker: The hon. the Government House Leader and I think we have heard enough on the point of privilege. The Chair will review it and report back before the day is out.

Premier Wells: On a point of order. Was this a new point of privilege?

Mr. Simms: Yes, it was.

Premier Wells: Okay. Then there needs to be a response to it.

Mr. Speaker: If there is a new point of privilege --

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please! Order, please!

The point of privilege was levelled against the Premier. I had assumed the hon. the House Leader was just carrying on, and gave him a concession to carry on to elucidate. He says it is a new point of privilege, so, obviously, the courtesy should be extended.

An Hon. Member: That is right.

Mr. Speaker: The hon. the Premier.

Premier Wells: If he has raised a new point, then Your Honour should have available to you the response to it. And exactly what the hon. Member said was there. I acknowledge receiving the letter. I would say that on either the 3rd or the 4th I telephoned Mr. Vincent. Somehow, the hon. Member had the letter Mr. Vincent wrote to me. That is the letter I was

talking about. When I got it, I telephoned Mr. Vincent and told him what I was doing with Colonel Engstad, and there was no need for me to go to the community to meet. I told this hon. House, and the hon. Member knows that. Now he laughs as though it is all a big joke. But, Mr. Speaker, that explains why, when this hon. Member asks for something, I immediately have to check it. Because I do not feel the level of confidence I need to act on anything he says, so I have to check whatever he says.

#### Orders of the Day

Mr. Baker: Motion two, Mr. Speaker.

Mr. Speaker: Motion two. The hon. the Minister of Finance to move that the House resolve itself into a Committee of the Whole to consider Certain Resolutions relating to the advancing or guaranteeing of Certain Loans made under The Loan and Guarantee Act.

On motion, that the House resolve itself into Committee of the Whole to consider certain Resolutions, Mr. Speaker left the Chair.

#### Committee of the Whole

Mr. Chairman: Order, please!

Bill No. 17.

#### Resolution

That it is expedient to bring in a measure further to amend The Loan And Guarantee Act, 1957, to



provide for the advance of loans to and the guarantee of the repayment of bonds or debentures issued by or loans advanced to certain corporations.

The hon. the Member for Mount Pearl.

Mr. Windsor: Thank you, Mr. Chairman. When we closed the Debate on Friday past, raising the question of a statement the Minister of Finance had made a few days previous to that dealing with loan guarantees for businesses and industries that required some kind of Government support, I quoted the Minister as saying in the debate that Government is not now providing loan guarantees to new business and industry, and I was raising the question, particularly one of concern I would think to the Minister of Development, that if he does not now have available to him loan guarantees as a tool in attracting and assisting industries in this Province, then that is a very serious problem for him and his Department.

Now the Minister of Finance, Mr. Chairman, said he did not say such a thing; the Minister of Development was shaking his head in amazement, he could not believe he would say such a thing, so let me read from Hansard, Mr. Chairman, of May 14. Quoting from the statements made by the Minister of Finance at that time, he said, and I quote, on page L26 May 14, "The business must be an established business rather than a new one". And on the next page, L27, in response to an intervention I made across the house Hansard was not able to pick up who was speaking, Hansard simply records "An Hon. Member:" then some certain section left out is "(inaudible)" and then it

completes the sentence "a new company?" Hansard was not able to pick up what I said across the floor of the Chamber, but I had asked the question of the Minister during his debate, are you saying that you will no longer finance a new company? The Minister responded to that intervention, Mr. Chairman, and again I quote: "No, not unless it is an established business, taking over an established business, or something of that nature." So the Minister, twice on that occasion, Mr. Chairman, confirmed that the Government policy is not now to provide loan guarantees to new businesses wishing to establish in this Province.

Now, there is a number of things here. I would think the Minister of Development would be most concerned about. He is not listening, unfortunately. But I would think the Minister of Development should be very concerned about the fact that he does no longer have available to him one of the most powerful tools he can use to attract industry to this Province.

An Hon. Member: Sprung.

Mr. Windsor: Yes, Mr. Chairman, Sprung. Loan guarantees were used to assist Sprung and dozens of other companies the Minister has listed in this Bill and is now asking approval of the House of Assembly, dozens of them - dozens of new companies: St. Lawrence Mines, my hon. colleague, Baie Verte Mines. Loan guarantees, Mr. Chairman, were made available to many of these companies, and hundreds and thousands of jobs were created because of the power of a loan guarantee.

An Hon. Member: Another failure.

Mr. Tobin: Another what?

Mr. Simms: Another failure, he said, Baie Verte Mines.

Mr. Tobin: St. Lawrence Mines, another failure, he said.

Mr. Windsor: Mr. Chairman, the Minister of Development, I ask him to listen. He has been busy on other things, legitimate Government business, but I ask the Minister of Development to listen to this, because this is a very serious situation from the Minister of Development's point of view. I do not know if the Minister realizes that he no longer has available to him - Yes, well the Minister of Development might shake his fist at the Minister of Finance, because the Minister of Finance has taken away one of the most powerful tools the Minister of Development should have in his arsenal. He has taken it away. The Minister was not listening. Let me read again from Hansard the words of the Minister of Finance from Friday past. He says, 'The business must be an established business rather than a new one.' He says, 'not unless it is an established business, taking over an established business, or something of that nature.' The Minister of Finance has it made it very clear that loan guarantees are not available to new companies.

An Hon. Member: Normally.

Mr. Windsor: Oh, normally. The Minister did not say that. On two occasions he very clearly said, 'are not available.'

Mr. Simms: He did not say normally, did he?

Mr. Furey: (Inaudible).

Mr. Windsor: Well, if the Minister can tell me what he meant perhaps, I will be delighted to find out that the Minister of Finance has to stand in the House for the third time this month and apologize to the people of the Province.

Mr. Simms: In future we will have to ask the Minister. Just say, is that what you meant?

Mr. Windsor: Yes, is that what you meant?

An Hon. Member: Even he does not know.

Mr. Windsor: I say to the Minister of Development, do not ask the Minister of Finance, because he does not know what he meant. He has no idea what he meant. The last one the Minister of Development should ask is the Minister of Finance, because he speaks without having any knowledge of what he is talking about whatsoever. Nor does he consider the ramifications of what he said. Now he has said to potential investors in this Province that loan guarantees are not available to you. He has also said that unless you are an established business, we are not going to help you. In other words, we are making chalk of one and cheese of another.

That is what he is saying, Mr. Chairman. It is discrimination against new businesses trying to establish. Or is it the Government's way of trying to stick with the old crowd, and help the old crowd, to the detriment of anybody new who wants to come in here, a new entrepreneur who wants to get involved, either from outside the Province or from within the Province? The

Government is now discriminating and saying, we will not help you.

An Hon. Member: There are all kinds of ways.

Mr. Windsor: There are all kinds of ways. I am not arguing all kinds of ways, I am talking about loan guarantees and the fact that Government's position on the record of this House of Assembly is now that loan guarantees are not available to new companies. Now I cannot wait for the Minister of Development to get up and tell me that what the Minister of Finance said is hogwash. Unfortunately, the Minister of Finance is the one who is responsible for loan guarantees. He is the one who must sign them. When he speaks as the Minister of Finance in this House he speaks for the Government, and he has said the Minister of Development does not have that opportunity available to him, to issue loan guarantees.

Mr. Chairman, that is quite serious.

I am not surprised, Mr. Chairman. It goes back to the Premier's statement prior to the election, when he said as it related to Sprung, when the Minister of Finance brought up Sprung, the Premier at that time said, 'When we are elected to Government, we will not honour loan guarantees made available to Sprung.'

Mr. R. Aylward: Shame!

Mr. Windsor: He had to eat those words. Those were new business, yes. Oh, yes! The policy now has changed. The Premier said, 'We will not honour these past guarantees.' He had to back down on that. He had to take

backwater. He had to eat those words and honour the loan guarantees to Sprung and others he might not have liked, but he made the great political statements because it was expedient to him at the time to say 'we will not honour those loan guarantees.' He soon found out he had to honour those loan guarantees, if they were called.

An Hon. Member: He was willing to change his mind.

Mr. Windsor: He was willing to change his mind, yes, because he found out (a) that he was driving business away from this Province - the Minister of Finance is driving them now further - and secondly, that constitutionally he had to honour those loan guarantees which were issued by a valid Government in the due course of doing business on behalf of this Province.

An Hon. Member: They were not valid (inaudible).

Mr. Windsor: They were there. They were in place, and they had to be honoured.

Some Hon. Members: Oh, oh!

Mr. Windsor: The Minister had to back down on that.

And the Minister of Finance is going to have to apologize here again, unless what he is saying is true. I hope the Minister of Development has more control in Cabinet than the Minister of Finance.

An Hon. Member: Oh, yes, he is powerful.

Mr. Windsor: I say he has more impact in Cabinet. We are

counting on the Minister of Development to bail out the Government over there again. How many times does the Minister of Finance have to apologize?

Mr. Simms: Several more yet.

Mr. Windsor: How many mistakes is he allowed to make? He is like a cat. He must have nine lives. It is incredible. I have never seen a Minister of Finance, or any Minister in a Government, prove his incompetence so many times as that Minister of Finance and still be allowed to sit in Cabinet.

Mr. Chairman: Order, please!

The hon. Member's time is up.

Mr. Windsor: I will be back again, Mr. Chairman.

Mr. Simms: Get up again.

Mr. Chairman: The hon. the Member for Mount Pearl.

Mr. Windsor: Thank you, Mr. Chairman. It is obvious that hon. gentlemen opposite have nothing to contribute; the backbenchers are sitting there amazed at the incompetence of the Minister of Finance. Nobody wants to answer my question. I am really surprised at the Minister of Development. The Minister of Development was trying to get to his feet to answer. Well, I'll sit for a moment, and let the Minister of Finance speak, Mr. Chairman.

Mr. Chairman: The hon. the Minister of Development.

Mr. Furey: Now, would you like a speech on Tourism, or would you like a speech on Sprung?

Mr. Matthews: No, on loan guarantees.

Mr. Furey: I think, Mr. Chairman, the hon. Member is making hay and basically trying to use an issue to politically divide. I think, to be fair about it, the hon. Member knows that when it comes to all mechanisms which are at the Government's disposal for attracting businesses here for creating jobs, that you can't eliminate any one component. There is probably a mixture that is required in some cases, whether its loan guarantees or whether its tax breaks or any of those mechanisms that are required, or whether it's use of lands within an industrial park. There is a great plethora and a great mix of possibilities that you can have to attract business.

The hon. Member asked a direct question: How would we deal with new businesses? New businesses, old businesses, all businesses will be treated, each of them, on their own merit. The hon. Member for Green Bay asked a question about Brig Bay today, for example, with respect to the fish plant. Well, we inherited the situation the former Minister of Fisheries put in place up there, and I would assume he was thinking along the same lines we eventually carried out, and that was that if they were going to give a development corporation an opportunity to bind themselves, all of these development associations under one corporation, that the next logical step is if they have no money base, that the Government would have to step in and provide them with some working capital through the Loan Guarantee Program. And when he asked about that today, it was simply an extension of the Loan Guarantee Program of last

year. It wasn't essentially new money, but rather an extension. So that's an example of where we used the loan guarantee to protect 200 jobs or so in this area, under that proposed scheme the previous Minister of Fisheries put in place.

So I can only say that every single business, new business, old business, businessmen who come into this Province, when we sit down and talk about directions and opportunities the Government provide, we talk about it from the point of view of whether its a tax break, we talk about it from a point of view of whether it is land assembly under Government control that's available, we talk about it from the point of view of loan guarantees, we talk about it from the point of view of Government programs through NLDC, now called Enterprise Newfoundland and Labrador. So we look at a great variety of programs. I don't think the Minister of Finance, and he can correct me if I am wrong, was restricting or shutting down opportunities for businesses to access the Loan Guarantee Program, I think what he was saying was that existing businesses now have an opportunity to come in. And normally - normally - we don't fund new businesses using that mechanism, but I say to the House and the hon. Member, we look at every single case and judge each on its own merit.

Mr. Chairman: The hon. the Member for Mount Pearl.

Mr. Windsor: Mr. Chairman, I thank the Minister of Development for the speech and all the mechanisms which are available to finance industries, but I assure him I wrote the book on that one. There are many new options

available to him that weren't there when I went into the Department. The previous Government introduced a whole range of new initiatives and new incentives for business and industry, all of which were very effective. The question I asked him, Mr. Chairman, and which he answered very directly, and I thank him for it, was if in his view the Government's position is that loan guarantees are available for new businesses. Now, Mr. Chairman, let me ask the hon. the Opposition House Leader, in the absence of the Premier -

Mr. Matthews: The Government House Leader.

Mr. Windsor: The Government House Leader. I know the position of the Opposition House Leader. I know his position very well. He played a major role in initiating many of these policies. I ask the Government House Leader, in the absence of the Premier, to become referee here in which one of the Ministers is telling the truth. Which is the real Minister, Mr. Chairman? The Minister of Finance in Hansard said: 'The business must be an established business rather than a new one.' It is very clear. And in answer to my question when I questioned him he said: 'No, not unless it is an established business, taking over an established business, or something of that nature.' Now the Minister of Development has stood up and said it is available to him as an incentive, as an investment tool. Which one is right? I ask the President of Treasury Board to answer that, and then I will get on with some other issues.

Mr. Chairman: The hon. the President of Treasury Board.

Mr. Baker: Thank you, Mr. Chairman. I am very pleased to speak and settle the apparent confusion under which the Member for Mount Pearl is suffering. I remember well the Member for Mount Pearl when he was Minister of Development, and all the programs and so on he brought in. I remember some rather interesting announcements he made previous to elections and things like that, and I remember the ex-Minister's involvement with loans and grants quite well.

Mr. Chairman, I know the Minister of Finance. I did not know him very well before the election, but I got to know him over the last few months. He is an extremely competent individual. He has some strongly held ideas about the financing of the Province. I have seen him operating in terms of the control of money. I have seen two sides of him. I have seen the side where he is very rigid and very definite about protecting the financial position of the Department, the Province, or whatever the case may be, and I have seen the other side, Mr. Chairman, where he has been rather free with the giving out of money. I have seen both sides of him. And they are not contradictory, they are complimentary.

I have seen the Minister of Development operate, if I can use that word. I have know him a bit longer, and I know what his attitude is in terms of business development in the Province and the issuing of loans and loan guarantees. I know both Ministers rather well, and to clear up any confusion the Member for Mount Pearl might have, I would like to assure him that I am absolutely confident that in what they said,

they are both right.

Mr. Matthews: What is his name? Fred Astaire?

Some Hon. Members: Hear, hear!

Mr. Chairman: The hon. the Member for Mount Pearl.

Mr. Windsor: Thank you, Mr. Chairman. Now, we have three of them who do not know what they are talking about. It is absolutely incredible! I can go up and down the line, and I am sure I will not get a straight answer from either one of them. Well, we are going to be here all night, Mr. Chairman, until we find out once and for all whether loan guarantees are available to new business and industry or they are not.

Mr. Baker: Every case is looked at individually.

Mr. Windsor: Every case, individually. So is the President of Treasury Board now agreeing with the Minister of Development in saying yes, loan guarantees are available to new industry and new business, even on an individual basis? Is that what he is saying?

Mr. Chairman: The hon. the President of Treasury Board.

Mr. Baker: Thank you, Mr. Chairman.

If I could just go a little further in straightening out the Member for Mount Pearl. As I said, I have seen both Ministers in operation and I know exactly where they are coming from. They work together on this an awful lot, by the way. They are not antagonistic, they work together on these things. They take every

single proposal that comes to Government and they look at every single proposal individually, on the merits of the proposal, and they make their recommendations to Treasury Board or to Cabinet, depending on the individual circumstances. Every single application is considered seriously from the point of view of the future of the Province, and every recommendation depends on the individual circumstances of the application.

Mr. Chairman: The hon. the Member for Mount Pearl.

Mr. Windsor: Mr. Chairman, I am aware that every application is considered individually. Generally there is a committee of Cabinet, or a committee of officials which look at these loan guarantees. There would be a representative from the Department of Finance, a representative from the Department of Development, a representative from the Resource Industry Department, be it Fishery, Forestry, or whatever, and a representative from Treasury Board. Perhaps, if it is a major industry -

An Hon. Member: No Treasury Board.

Mr. Windsor: Treasury Board is not on there anymore? Okay. That is interesting. Perhaps a representative from Executive Council, from the Premier's office. If it is a major thing, the Premier might choose to have somebody sit in on it. I am aware they are all looked at individually. I am also aware that there are a set of guidelines, unless the present Government has thrown them out. But there was a set of guidelines the officials were governed by.

An Hon. Member: You must have taken them with you.

Mr. Windsor: No, we did not take them with us. They were too valuable to Government for us to take them with us. They made too much sense. Now, maybe the hon. gentlemen opposite have thrown them out. Maybe the officials, the bureaucrats are operating without any guidelines. If not, if those guidelines are still there, there is a whole list of criteria under which every one of these proposals are looked upon. As to the criteria, as the Minister pointed out on Friday, the main thing is is it a viable industry? We are not questioning that, and we are not for a moment suggesting a guarantee should be given to any company that cannot show that it will be viable and that it needs a guarantee in order to be viable.

And this is where a whole concept of loan guarantees comes in. If a company has barrels of money, they do not need guarantees, they should not have them; they should not have them because they do not need them. I am not sure there are many industries in this Province today that do not need them. There are certainly very few new ones coming in that can start without them, because projects are just not financeable through commercial lending agencies today, through normal agencies. It is very, very difficult for a company.

If you go to a bank, you cannot get money from a bank unless you can prove you do not need it. That is a fact of life. It is also very true. I mean, make a couple of statements in relation to the banks, and I hope the Minister of Finance is listening,

that the banks are very happy to have Government take over the responsibility and the liability for loans. And I ask the Minister of Finance this in all honesty now, and I am not attacking the Minister at all, I ask the Minister to undertake something we were looking at and we were initiating prior to the change of Government, that when the Minister issues a guarantee to cover a bank loan, that bank loan should have a lower interest rate. Why is a company forced to pay 15 or 16 per cent for a loan without any guarantee and, then, when they get a guarantee, they are still paying 15 or 16 per cent? Why is the bank earning 15 or 16 per cent on a loan for which there is absolutely zero risk, because the Government is taking it?

An Hon. Member: Good point.

Mr. Windsor: Because the Government is taking all the risk, because the Government guarantees that if this company cannot pay this loan we will pay it for you, I do not like the idea that banks are going away with 15 and 16, and probably more, per cent interest on loans, zero risk. I will give you all the loans you want.

An Hon. Member: Were you proceeding (inaudible)?

Mr. Windsor: I was initiating informal discussions. I do not know that you will find in our files any formal documentation. I will not say that we have progressed that far. We had discussed it. I had had informal discussions with some representatives of banks. But I think that concept needs to be developed. What are we getting for our guarantee? We are letting banks off the hook, and we saw

this happening when the fishing industry became in crisis over the last number of years. Every bank that had a guarantee to a fishing company was in getting loan guarantees. They said, 'Well, sorry, we will not extend the loan. We will shut down that fish plant unless you can get a Government guarantee.'

An Hon. Member: Other provinces (inaudible).

Mr. Windsor: Other provinces, I think, are in the same position. But I think they are also coming along to this line of thinking, that they want to look at this as well. And I would recommend to the Minister of Finance that he pursue that, that when loan guarantees are given, there should be a premium, there should be something gained back to the company. Not only is the Government guaranteeing the loan, but the company also benefits from a lower interest rate because there is no risk now to the bank -- there is no risk to the bank. I think it is absolutely unconscionable that banks are going away with loan guarantees that are still paying 15 and 16 per cent interest, or whatever it may be. I really believe that should be looked at.

But let me get back to my main point. My main point here is that we now have two different statements. The Minister of Finance very clearly in his statement said new businesses are not covered, and the President of Treasury Board indicates they will be dealt with on a one on one basis. I say to you now, that whether or not a company is a new company or an existing company has just now been added to the list of criteria. And if that is not



true, then I would think the Minister of Finance or the Premier should stand and correct the statement the Minister of Finance has made, because potential investors in this Province do not now know.

I hear what the Minister of Development is saying, and he is saying what I would have hoped he would say. I hear what the President of Treasury Board says, and he is doing his best to agree with the Minister of Development without being too blantly opposed to the Minister of Finance, and did a very poor job of both. But I hear what he wants to say, I read between the lines, that he knows that what I am saying is right and what the Minister of Development is saying is right, but I think we need the Minister of Finance to say very clearly, once and for all - he shakes his head, he will not. Well, Mr. Chairman, I will wait until the Premier comes back and ask the Premier to say it. Nobody pays too much attention to the Minister of Finance these days, anyway. But, unfortunately, he still is the Minister of Finance and he speaks for the Government on matters of financial and fiscal policy, unless he is superseded by a statement from the Premier, who speaks on behalf of Government on any and all issues. He is the Leader of the Government and can overrule and dismiss the Minister of Finance, which he should do.

The Minister of Finance thinks this is funny, Mr. Chairman. Well, I tell you it is not funny to a potential investor who is out there knowing he has put months of investigation into trying to put together a prospectus and develop a business in this Province, knowing that he needs Government

guarantees, loan guarantees, in order to finance that project. Now, the Minister of Finance thinks that is funny.

Mr. R. Aylward: Ask the Minister of Finance how much he paid Bill Callahan for the editorial.

Mr. Windsor: Mr. Chairman, this is a very serious issue here.

Let us have a look at some of the loans that are approved here under this. I mean, what is the policy? We talked about Sprung. I was diverted, and my favourite subject is Sprung. The Premier had to back down on his statements there, that he would not honour those loan guarantees. Businesspeople were looking at this as a banana republic that the Premier was proposing to establish.

An Hon. Member: (Inaudible).

Mr. Windsor: Not anymore.

Dr. Kitchen: You made a laughingstock of the Province. (Inaudible).

Ms Verge: You should talk!

Mr. Chairman: Order, please!

Mr. Windsor: The Minister of apologies, not the Minister of Finance. He finds this amusing, Mr. Chairman. He finds this amusing. I would like to know how the hundreds of companies who are hoping to come in here and establish, and do business in this Province to take advantage of the development of Hibernia, are feeling about the Minister's statement today.

Dr. Kitchen: Will they want loan guarantees too?

Mr. Windsor: They may well want loan guarantees. Is the Minister now confirming again that he will not consider them?

Mr. R. Aylward: They can get them in Nova Scotia.

Mr. Windsor: Does he not consider that as a valid request from a company wanting to come in here and create hundreds, perhaps thousands, of jobs, that they may need a loan guarantee? Maybe this kind of statement, Mr. Chairman, is the reason we do not have the Hibernia agreement signed yet. It is the attitude of the Minister of Finance and the uncertainty in the financial community that that Minister has instilled.

Mr. R. Aylward: Get him up on his feet. He will hang himself.

Mr. Windsor: We announced good, solid financial policies and we stuck to them, we did not try to change in midstream. And we had a heck of a lot stronger financial credibility in the financial community, both here and around the world in the borrowing community, than the Minister of Finance will ever be able to regain.

An Hon. Member: Did you drop your rating?

Mr. Windsor: No, we did not drop our rating. And we would have had our rating upgraded last year if the hon. Minister had not come in with the ridiculous Budget he brought in.

An Hon. Member: Yes?

Mr. Windsor: Yes. Absolutely! We would have received an upgrading, the only Province in Canada to have received an

upgrading, except for the kinds of statements the Premier made during the election: We will not honour loan guarantees. The Government's word is worthless. Even the Government's word on the piece of paper signed by the Minister of Finance is worthless because I, the Premier, will not honour those guarantees. That is quite a message to put out to the rating agencies.

Mr. R. Aylward: And he would not honour Meech Lake.

Mr. Windsor: I have spoken to them, Mr. Chairman. I have spoken to some of the people we dealt with and the Minister is still dealing with, and they were very concerned about the statements made by the Premier. They are also very concerned now about the competence of this particular Minister and some of the policies he is enunciating on behalf of Government.

Here is another one, and there are a lot of businessmen out there, Mr. Chairman, who are wondering today if they have been wasting their time. I mean, have a look at one. How about White's Fisheries in Flowers Cove? The Minister of Finance knows them. He is familiar with them. Here is a company, Mr. Chairman, which has been employing 140 people, in a small community on the Northern Peninsula, for many years. I do not know if the Member for the Strait of Belle Isle knows them, because he refuses to return their phone calls. He may know them, but he is certainly not concerned about that industry in his district. They requested a loan guarantee of \$350,000. I see one here, an extension of a \$200,000 loan. Has that \$350,000 request been honoured? Have they been

able to get the meeting with the Minister of Finance which they were requesting?

An Hon. Member: (Inaudible).

Mr. Windsor: They have? Is that plant operating today? Has the Minister of Finance honoured the Fax message he sent to them several months ago saying they would receive an additional \$100,000, and subsequently officials told them they would not receive it? Now these are very pointed and direct questions I am asking the Minister of Finance, and I hope he will answer them. No, he will not answer them.

Well, Mr. Chairman, what are we doing here in the House of Assembly -

Mr. Chairman: Order, please!

The hon. Member's time is up.

Mr. Windsor: Thank you, Mr. Chairman.

Mr. Chairman: The hon. the Member for LaPoile.

Mr. Matthews: Is the Minister of Finance not getting up on financial questions?

Mr. Ramsay: Mr. Chairman, there are some things I wanted to bring up in comment on what the hon. Member for Mount Pearl had to say, some things which happened after the Sprung loan Guarantee situation, which would certainly show that a Government which does not necessarily follow the policies as set down under their own legislation can possibly jeopardize future cooperation between banks and business, and banks and pseudo-government agencies. We had a situation with

the Community Diversification Corporation, in Port aux Basques, that was set up following the railway fund implementation wherein, because of the way the Provincial Government prior to the Provincial Government that now sits here in this House treated the loan guarantees under the Sprung affair, as an example, and because those loan guarantees with the Sprung situation were possibly jeopardized by virtue of not having been carried out in the right manner, the banks became, not necessarily less co-operative, but much more acute in their attention to detail that made doing business with the banks in the transition period following that very difficult. Any of the new projects being undertaken by the Community Diversification Fund, it became very, very difficult for them to proceed, because as a pseudo-government agency, there was no cut and dried way of determining as to whether the loan guarantees being offered were actually going to be honoured by the Federal Government, because the legislation had not been finalized.

So the uncertainty that was created by the former Government's manner of doing business, as far as the way they did the Sprung loan guarantees, has affected negatively, I would say, in the order of about six individual cases of companies which have been dealing with banks in trying to arrange financing, in trying to arrange loan guarantees with these pseudo-government agencies, be they ACOA, be they a local agency like the Community Diversification Fund.

So that is the kind of thing that can happen when the proper attention to detail is not paid.

And the costs are enormous: the cost in lost jobs through jobs not be created, the costs of a relationship between a customer and their bank, and also the overall economic cost to the Province. Now these are the long-term effects of not paying attention to the detail of making sure that these loan guarantees have been passed through the House of Assembly, and allowing them to be done by executive of Government. Executive of Government certainly does have a function, but it is not the only function of Government, as was practiced in the past, to use the House of Assembly as just a manner of passing Budgets and keeping it open for a perfunctory amount of time. Certainly it is something I would hope will not ever happen again in the future. This is where the people should have the opportunity to hear their Government express the views on the various policies and legislation that come before the House, and the initiatives, and the Opposition of course to provide an Opposition voice to this.

There is another thing about loan guarantees which, of course, does not get mentioned much. We do not get down in the gutter a lot, but political interference with loan guarantees here in the Province in the past has, of course, been a problem. If we were to, I suppose, dig and dig deep we certainly could provide enough embarrassment to keep the Opposition running out for the sake of quorums over and over and over again. The thing about politics, I guess, is that you have strategies in the way that you do these things, because if the people need to know, they will know very, very soon.

The other thing I might mention, Mr. Chairman, with regard to loan guarantees is that there is now an evolution of Government finance throughout North America, not just in Newfoundland, but also there is an evolution of the way that Government is doing business with business. It is not only through loan guarantees, it is through taking equity positions in companies, something that has been practiced at times in the past. But the way that it has to be done now to avoid the problems that would be created in light of what is defined as a subsidy, with regards to the GATT Agreement and also regarding the problems that can arise through the levies that can come on various products, and complete industries can be affected by the way that Government finances a project. So based on that, I think to try to hone in on whether or not this Government will provide a policy saying we have this policy that is going to provide a loan guarantee for a specific business of a specific type that comes to the Province is a dangerous implication. Because then that policy that would be written down and offered up to all the various companies throughout North America, who may be interested in doing business here, could certainly become part of the rulings that the current Board that is examining the Free Trade Agreement, as to what constitutes a subsidy in the continent right now, it certainly could affect their ruling. So for us to say that we will provide these loan guarantees at no cost to the individual companies or at a cost-plus basis or whatever, would allow them food for thought in determining as to the level of subsidy that is arrived at in the comparison of Canada versus the

United States.

So that is something to consider in order not to offer the basic policy for it and say this is what we have for you. It is much better to take an individual case and offer that individual case a certain amount of analysis and then, provided that it is within the policies that Government have set down, to make an offer on that individual basis.

So I feel that for the Opposition to try to hone in on whether the Minister of Finance said it, or whether he did not say it, or whether the President of Treasury Board said it or did not say it and how they wiggled around it, is not really the point. The point is that economy of scale is changing throughout the continent right now, and the way we do business as a Government and the way that Government is no longer going to be expected to be the prop-up type of grandfather of business it has to be a participant, a partner with enterprises that come into the provinces and come into the different areas of the Province from all different areas of the continent and also from Europe. I think this is the way we have to look at these things, Mr. Chairman. As soon as we get away from looking at individual cases, not away from looking at individual cases, but away from looking at a blanket type statement as to what our policy is, and the sooner we concentrate on dealing with individual cases, then we will be much better off and possibly the Opposition then would be able to find something else with the way that we approve the individual cases. If they were fair and balanced in their approach, then maybe there would

not be any element of political interference to speak of, but they would certainly probably try to dredge it up.

With that, Mr. Chairman, I will allow someone else to have a go at it. Thank you.

Mr. Chairman: The hon. the Member for Grand Bank.

Mr. Matthews: Thank you, Mr. Chairman.

Mr. Chairman, the point that the Member for Mount Pearl was trying to get an answer to was whether or not new business ventures would be considered or possibly funded under the Loan Guarantee Program and it is fine for the Member for La Poile to say that new businesses or new applicants should be considered individually, that's fine, that has always been the case. But whether or not, if there is a category of new businesses that an individual application would fall under and consequently would not be considered for funding, that is the question that is being raised here today. You know, it is nice to try and talk around it. Now either new businesses are eligible for loan guarantees from the Province or they are not, and that was the question that the Member for Mount Pearl was trying to get answered.

Mr. Simms: He is used to walking around questions anyway.

Mr. Matthews: Yes, it should be very straightforward. If the Member would read Hansard of Monday, 14th of May, he would see very clearly, what the Minister of Finance said which was almost refuted by both the Minister of Development and the President of

Treasury Board, but not outrightly refuted, so it still begs the question of whether or not new business ventures will be considered for assistance under the Provincial Government's Loan Guarantee Program. And I would like to say to the Member for La Poile, that it is refreshing to hear him stand in the House and debate on issues like the fishery and finance matters and loan guarantees matters. It reminds me of the days back in the early '80s when I came in here first, and I talked much the same as the hon. Gentleman. You thought that you could change the way things were done and have some input on issues that you thought important to yourself and your District and the Province, that a lot of times you read about it in the paper or you heard about it on the news, that Government had made an announcement about such matters, and it was irritating for me, and I am sure he finds it the same with his Government, that at times there are issues that he feels that he should have had some input into or he should at least have been advised of, that he hears about through the news media or he hears a ministerial statement given in the House about a decision of Government.

So I just want to say that to him and I hope he keeps his enthusiasm and his exuberance because it is too bad that Members lose that. I would just like to ask the Minister of Finance a question on, not this Bill here as pertains to an industry in my District of the Town of St. Lawrence, St. Lawrence Fluorspar, and it says here that the Clause 4E and F would extend the dates of expiry of two loan guarantees totalling \$2.3 million to St. Lawrence Fluorspar Ltd. from December 31, 1989 to June 29,

1990, and three loan guarantees totalling \$3.3 million from June 29, 1990 to June 30, 1993. I am just wondering, is that \$2.3 million loan guarantee a part of the \$3.3 and if so, in essence there is a million dollars above and beyond the \$2.3, is that what it is, or is it that the \$2.3 will expire the 29th of June and then there is a continuance of another \$3.3 million loan, could you give the answer to that for me, somebody, please? Did you understand the question?

An Hon. Member: I understand the question, I am just trying to get the (Inaudible).

Mr. Matthews: I think the Minister of Mines does and I would just like to have that answered because I am just wondering, as I have been very familiar with the operation of St. Lawrence Fluorspar since its inception really, I guess back about 1983 when the Alcan operation had pulled out of town, the Government of the day did a promotional package on the fluorspar deposit and we were lucky enough that we had one bite on the fluorspar deposit from Minworth, and without them, there would not have been any, and it has been on shaky grounds ever since, but it has employed about 110 people in the last couple of years, paying decent wages, and a very important industry for the town of St. Lawrence and for the Burin peninsula and indeed the Province, so I am just wondering what the answer to that would be and - does the Minister know that - you had better check that out to be certain.

Mr. Chairman: The hon. the Minister of Finance.

Dr. Kitchen: I think the way you stated it, is correct. What it reads here, and I will check it out just to be doubly sure that the explanation is correct, that what we are doing is extending the two loan guarantees to June 29, and then three from the same June 29, to June 30, 1993. I think the \$3.3 includes the \$2.3, but I will double check. It makes sense to do that because otherwise we would be dropping the other two at the end of June, so it looks that the total number of guarantees are #3.3 million, yes, that's right. The total is \$3.3, yes. So what has happened here are two things have occurred; one occurrence was to extend the 2.3 to June 29th and then, a second occurrence was the decision to extend the whole thing for another three years.

Mr. Chairman: The hon. the Member for Grand Bank.

Mr. Matthews: Mr. Chairman, I think I probably have something to add to that.

An Hon. Member: The Minister of Mines is going to answer.

Mr. Chairman: I recognized the hon. the Member for Grand Bank.

Mr. Matthews: Alright, Mr. Chairman. I will carry on then, with this. It is obvious the Minister of Mines had some supplementary information to the Minister of Finance about this particular matter of these loan guarantees to St. Lawrence Fluorspar. I am wondering, as well, when the Minister of Mines rises, if he could probably give an update on the financial situation of St. Lawrence Fluorspar and the recent financial re-arrangements and so on, that apparently have been renegotiated

by the company, I think basically in Europe, which is what my understanding is, with the parent company, Minworth. I am wondering if, while he does that, he would inform us, as well, of the situation with St. Lawrence Fluorspar now. Have their financial difficulties been straightened out, or are they still in a very tight cash flow situation and really what we can expect with that over the next while?

Mr. Chairman: The hon. the Minister of Mines and Energy.

Dr. Gibbons: Thank you, Mr. Chairman.

I am just going to add a little bit of supplementary information to what the Minister of Finance was saying on this.

The original \$2.3 million expired in December, so we extended that to June because another \$1 million that had been approved by the former Government was expiring on June 29th. So we tied it all together into that \$3.3 million package and then the reason for the extension for the three-year period was in conjunction with the financing that the company was raising in Europe. In order to get the financing, they wanted the guarantee to be extended for a slightly longer period, and we did approve that. I believe it was a \$4 million injection at that time, that came from private sources into St. Lawrence to get it reopened after that closedown this winter, about \$4 million. In addition, Minworth, the parent company is considering going public and selling shares on a broader scale. I understood they might be doing that by early May, but I have not had a report

recently, so I do not know if they have done it yet. But there is a consideration of a public issue at about this time. So at this time it looks like the financing is in place to keep it going, and with the public issue for Minworth, it should keep it going longer.

Mr. Chairman: The hon. the Member for Grand Bank.

Mr. Matthews: Who was in a hurry to get things carried over there?

Thank you, Mr. Chairman.

There has been a continuous problem there with lack of winterization at the mill end of it. Where the ore goes into the mill, I guess, they get ice and it is not properly protected. Would the Minister know - I guess he would - with the \$4 million injection from the private sector, the U.K., and the extension of \$3.3 million, is any of that winterization going to take place now while the weather is suitable, so we will not have the reoccurring winterization problems we have had over the last couple of years?

Mr. Chairman: The hon. the Minister of Mines and Energy.

Dr. Gibbons: I am not aware that any of this original \$4 million is going into winterization per se, and I am well familiar with the problem with winterization down there. They would need, really, to do some work on that, otherwise the ore will freeze and it will create a problem every year. They need to address that, but the immediate expenditures were on some more immediate things in occupational health and safety and in paying some back bills.

Mr. Chairman: The hon. the Member for Mount Pearl.

Mr. Windsor: Thank you, Mr. Chairman.

I want to get back to asking the Minister, once again, to give us some answers to some of the questions I put forward. I again ask him to clarify the position on loan guarantees. Would he please make it very clear that loan guarantees are available to new businesses and industries starting out in this Province? It is a very simple straightforward question and I hope he will get to his feet and answer it.

Secondly, if he cannot answer, maybe the hon. gentleman from the Strait of Belle Isle will answer, what is the position on White's Fisheries? Have they now received the loan guarantees requested to keep that important industry in the hon. Minister's District alive? Have they received those loan guarantees, and is that plant now operating in Flowers Cove and gainfully employing some 140 people, as it has for the last twenty years, Mr. Chairman? Those are two very simple, straightforward questions that we would like to have answered.

Mr. Chairman, let me go further and ask the Minister of Finance this: assuming he will assure us that loan guarantees are available to new industries, is the Minister also prepared to consider project guarantees? The hon. Minister does not quite know what that means. Project guarantees are guarantees for project financing. There are many companies in this Province who are able to operate on a day to day basis, but from time to time may have an opportunity to enter into a much



larger project than they normally are dealing with, particularly as it relates to the upcoming development of oil and gas.

I think this is a very pertinent question. There may be many Newfoundland companies, so they are established companies, I say to the Minister. Maybe an established Newfoundland company now wants to joint venture and get involved in some of the oil and gas play, and take advantage of some of the opportunities. We are talking about a particular project, maybe a Newfoundland company is going to be involved in constructing part of one of the major modules, the super modules, and that company would need a certain amount of financing, of working capital, in order to participate in that project. That is what is called project financing, and I say to the Minister we have done it in the past, if the Minister is not aware, we have done that in the past, where guarantees have been given on specific projects. We have done it, for example, on the building of fishing vessels, where we have given a guarantee to a small shipyard for the value of the vessel to be constructed. We have used the actual construction of the vessel and the labour and materials that are put into that project from time to time, as progress payments are made, we have used the vessel itself as the collateral for that guarantee. Is that policy still in place? In other words, are companies able to raise guarantees for that kind of a project, so that they can undertake projects of that magnitude?

One final question that I would like to get dealt with, Mr. Chairman, relates to Newfoundland

Polybag Limited. The Minister is probably not aware that when Federal funds were made available to that company, one of the criteria stipulated in the agreement was that company would not be competing with an existing company in Donovan's Industrial Park, which happens to be in my own District, but that is not particularly relevant.

And it comes to a question I raised in the House of Assembly in Question Period to the Minister of Development some time ago, when we pointed out that a company, a new company by the way, a brand new company, establishing in Newfoundland, was given Government money which helped them establish here. It was foreign investment, almost entirely people from outside the Province who came in here with the assistance of Government loans and guarantees, and immediately caused the shutdown of an existing competing industry in the Province. Now, that is something we must be very careful of. I say to the Minister, again assuming that he will stand now and tell us, yes, loan guarantees are available to new business and industries, I also caution him that when he does give loan guarantees to new business and industry that we make sure it is not to the detriment of existing corporations in the Province, and I do not think anybody will disagree with that. The Newfoundland Polybag was such a company that established on the west coast of the Province, and I supported that, I had no problem with it, but one of the criteria was that they produce the grades of film that were not competitive with that being produced at the operation in Donovan's. I am told by the operation in Donovan's, and they have given me certain

documentation which they feel conclusively shows, and very difficult for me to assess, shows they are being very unfairly competed with by this company that was established, not precluding a company from producing that type of film, but it precludes them from marketing it in Newfoundland. They can produce it for export, they can produce heavier grades film, polyethylene, for sale in Newfoundland and Labrador, and that was the operation we supported and that we gave financial support to and encouraged, and we certainly encouraged them, I hope that they will continue to do that.

But I think it is wrong that Government funds are used to fund a new company to take away a considerable amount of business from an existing company, and I will ask the Minister - I suspect he is probably not aware of the details, and I accept that - and I would ask the Minister would he investigate that and would he report back to the House at his earliest opportunity, of the details of that and if, in fact, the terms and conditions of the loan agreements, the loan guarantees are indeed being complied with.

So, Mr. Chairman, I am going to sit for a moment and see if the Minister of Finance will, in fact, answer those straightforward questions.

Mr. Chairman: Shall the resolution carry?

Some Hon. Members: Carried.

Mr. Chairman: The hon. the Member for Mount Pearl.

Mr. Windsor: It is absolutely

unbelievable, Mr. Chairman. The performance of the Minister of Finance in this House is certainly been questionable, but never as suspect as it is today. Now I can appreciate the Minister does not have the honest answers to some of the questions. Some of the questions he must have the answers to, some of those very simple questions. I mean if the Minister of Finance does not have the answers to them, he certainly does not deserve to be the Minister of Finance. So I can only conclude from that, Mr. Chairman, the Minister of Finance is absolutely refusing to answer legitimate questions. I say to the hon. the Government House Leader that the questions; clear, specific, direct, straightforward questions, no political bias, no emotionalism, straightforward questions to the Minister of Finance, he is now refusing to answer.

Now, Mr. Chairman, we are in Committee in this House. We are debating the details of a piece of legislation, clause by clause.

An Hon. Member: Millions of dollars.

Mr. Windsor: Going through this particular piece of legislation, and the purpose of a Committee of the Whole, Mr. Chairman, as you well know is that Government give detail answers on specific questions relating to this bill. The questions I asked were not irrelevant. The Committee allows a tremendous amounts of scope, a breathe of debate on money matters on any money bill. I appreciate that, and a great deal of what is being said is of a very general nature, and I can appreciate that Members opposite may not respond to that.

The four questions that I specifically just asked were very clear, direct questions, clearly relating to this bill. Now, Mr. Chairman, we have a right to get answers to those types of questions. This is what this Committee is all about. Mr. Chairman, if the Ministers opposite are not prepared to answer questions in Committee on such clear direct questions then, Mr. Chairman, we are wasting our time, this is a farce. What are we doing here? We are accomplishing absolutely nothing.

Now, Mr. Chairman, I have many more things that I would like to do on behalf of the people of Mount Pearl and the people of this Province than stand here listening to myself speak. I have many more things I would rather do than sit here listening to myself speak. I would hope that I am making a contribution to the debate in this parliamentary process and to this House of Assembly.

I would hope that the hon. Ministers opposite would be listening to what I am saying as good sound constructive criticism. Well, Mr. Chairman, we are wasting our time if we cannot get information. Is the Minister of Finance simply trying to outweigh us because I can speak for days if that is what the hon. Minister wants. I spoke for three or four days on the Budget Debate. I can speak for three or four days on this debate. This is a broad enough bill, I assure the hon. House Leader that I can carry on, and I am quite prepared to do that if we do not get answers.

Is anybody opposite going to respond to us?

Dr. Kitchen: I will.

Mr. Windsor: The Minister of Finance would like to respond. Mr. Chairman, I will gladly yield to the Minister of Finance.

Mr. Chairman: The hon. the Minister of Finance.

Some Hon. Members: Hear, hear!

Dr. Kitchen: Thank you, Mr. Chairman.

I was sort of waiting for everybody to ask their questions so I could respond at once, rather than to be popping up and down like a jack-in-the-box, but a number of questions have been raised here. One had to do with negotiations or discussions with White's Fisheries and I prefer not to discuss ongoing negotiations. I can answer the question with respect to the Bill that we are proposing to extend the loan guarantee of \$200,000, but I do not think it is appropriate to discuss ongoing discussions with companies too much, unless it is absolutely necessary.

The Member for Mount Pearl raised a question with the banks and the way banks are sometimes thought of as taking a little risk and much interest. We are aware of these problems and have been working on them for some time. Hopefully things will work out there along the lines that were suggested.

It was customary just before an election was called, to issue a round of loan guarantees. You know, that kind of thing, but we are not going to get into that, issuing loan guarantees just before an election, like you would dish out roads or anything of that nature, we are not going to do that. We are not going to give patronage on loan guarantees.

But the question of new businesses arose, and I think it is a valid one to raise, will new businesses be able to get loan guarantees? As a general rule our preference is for new ventures to be appropriately capitalized, so that someone who comes in here to set up a business should really have sufficient equity to carry on. The question is raised, if they do not have the equity, what are they up to?.... maybe Government should run the business themselves.

So we are not going to encourage people to come here with no money in their pockets and just say, 'I have a great idea, will you finance me? Will you give me the capital, the physical capital? Will you give me the money to operate it? Will you go to the bank and will you guarantee me a loan? I have the idea, I know how to build the pods. Will you finance me from here on in?' And the answer is no, we want companies to realize that it is important that the equity be in place.

One of the biggest problems I think we have in this Province is this whole question of equity. The lack of equity in many of our companies is quite a serious problem, and has to be addressed. So I think the main difference between our loan guarantee policy, and possibly what we perceive to have been the policy of the previous Government, it may not be totally accurate, but it is the way we perceive it, is that we are going to be quite conservative in the way we handle our loan guarantees. We want -

An Hon. Member: Conservative?

Dr. Kitchen: Yes, conservative in the banking sense. We want

companies to have a good chance of success on their own, to come here or to be here and to start up, and for the people who are starting the business to have something invested in it themselves. So we are looking at them. If you want to get into business in this Province are you prepared to put up your own money? Are you prepared to put up your own house if you have such a good idea? Are you prepared to put up your own assets or are you just riding on the backs of the people? We do not want people riding on the backs of the people of the Province, so we are going to be very careful about the type of loan guarantees that we are going to be putting in place. And new businesses normally should have their equity in place. Now this is not written in stone, as my colleagues have mentioned, it is not written in stone, but it is a guiding principle.

The polybag question - I was not aware of this breach. You are suggesting that there may have been a breach of the terms of the loan guarantee, and I would like to have more details about that. If I could get more details we would certainly look into that. We do not want companies breaching the terms of their loan guarantee, because that is a pretty serious question. Some people do that from time to time and, for instance, loan guarantees have never been supposed to be used for capital investment. And sometimes somebody uses the working capital and buys some equipment. If that happens, it is a breach of the loan guarantee and we have to work at that. So we have to be quite careful with these loan guarantees, particularly in view of the financial position of the Government. We have to be prudent

with taxpayers' dollars and not just throw them away on ill-conceived projects. So we take a lot of time looking at projects or proposals that come for guarantees of bank loans; we look at them carefully, we meet with the principals of the companies concerned, and where it is justified, where the people are prepared to take whatever risk they can, where the management looks to have a good plan, we look at their financial statements, their proformas and all the rest of it, to check out and see what they have been doing.

Normally, loan guarantees are for a company which has been in existence and, for some reason or another, bad times have occurred and they have become short of working capital. So we guarantee a bank loan for a period time. In most cases in the past, as in our brief period here, the loan guarantees - what is the word? - they disappear, they no longer need to be extended. The company becomes financially in a position where they can handle it themselves, so the loan guarantee lapses and it does not have to be extended.

In all the discussion of loan guarantees, many people are not aware that most loan guarantees lapse and the company carries on and is able to manage its own affairs. But from time to time we get into these horrendous situations where Government gets in for a few dollars, then the company says we are going to go broke unless you increase the loan guarantee; back again, we have to increase it again, and this is what happens, the spiraling loan guarantees which we want to head off as much as we can by making sure there is appropriate equity

where at all possible, where the management is good, and where the people who are involved do take some risks themselves.

Mr. Chairman, if there other questions, we will try to answer them.

Mr. Chairman: The hon. the Leader of the Opposition.

Mr. Rideout: Thank you very much, Mr. Chairman. Mr. Chairman, much of what the Minister just said, I don't think in the real world many people would disagree with, but the real world we are in, is the world of Newfoundland and Labrador. If we were in the golden triangle of southern Ontario, or something of that nature, where there is a highly diversified economic base, a lot of what the Minister said would make sense. But in the reality of this Province, I mean, you would never have that Hope Brook development, for example, unless the Government of Newfoundland and Labrador and the Government of Canada were prepared to get involved in attracting that particular development. Our reality is that our economic base is so narrow, that there has always been an necessity for some Government support in some form or other, whether it is a loan guarantee, or tax breaks, or incentive programs of whatever sort, and the very, very conservative philosophy of the Minister of Finance can be very, very detrimental to the long-term development of this Province, and that is what I am worried about.

If the Minister is finished talking to his colleague, I want to ask him a particular question about a guarantee here, issued under Order in Council 1136 to

Newco III and Newco IV, the companies that were incorporated to finance the middle distance vessels. Newco I and II were the first two that were built, and Newco III and IV were the second two that were built at Marystown. I am wondering why it was necessary for those loan guarantees to appear in this form. I know they had to be financed by guarantee and interim, but my understanding is that the lease companies, like Citi-Bank, I remember that is one we did a lease purchase arrangement with, Citi-Bank, and ROYNAT, or something I believe, was another one. But my understanding is that when those companies purchased the lease and financed the vessels and Marystown Shipyard was paid off, that the Department of Fisheries, each year in it's capital budget under the Middle Distance Fishing Program, had the lease payment for one vessel or two vessels or three vessels or four vessels, whatever you ended up with, included as a capital expenditure item in their departmental budget, less, of course, the revenue the vessels brought back, because they were, in turn, leased to fishermen. So why would this show up as an item under guarantee by the Province if, in fact, the Province was providing the principle plus interest lease payment through the departmental budget so that it could then be paid out to the leasing companies, and the Province, in turn, then, ended up paying that out less the amount of revenue the vessels brought back because of the lease arrangement with the individual captains? I do not understand. Maybe there is something I have forgotten here, because it is a year and a half or two years ago that I dealt with it. But it certainly jumped. I know we used to, our arrangement

was that the lease payments were in the budget of the Department of Fisheries. Maybe the Minister could try to get that information for us, Mr. Chairman. If he could, I would appreciate it.

Mr. Chairman: The hon. the Member for Mount Pearl.

Mr. Windsor: Mr. Chairman, it is very difficult, obviously, to get any answers from the Minister of Finance. He obviously refuses to answer these legitimate questions, or is unable to. Of real concern, Mr. Chairman, is that he has once again enunciated his position that new companies are not eligible for loan guarantees.

Now we had the Minister of Development stand in his place a few moments ago, and we had the President of Treasury Board stand in his place a few moments ago. The Minister of Development was very clear. The President of Treasury Board waffled a little bit, but I think ultimately you would have to conclude from what the President of Treasury Board said that new companies are eligible for loan guarantees. Now the Minister of Finance has again confirmed that these new companies are not eligible. That is what he just said a moment ago, again.

Now, Mr. Chairman, I am not going to belabour this any longer. Because it is a waste of my time and it is a waste of the time of this House of Assembly for me to say this over and over again, when Ministers opposite refuse to answer our questions. Let the record show that these Ministers are refusing to answer legitimate questions in Committee and that they are making a farce of this Committee. I find it insulting to the House of Assembly and

insulting to the people of this Province that these Ministers will stand here or will sit there and refuse to give reasonable answers to reasonable questions.

An Hon. Member: (Inaudible).

Mr. Windsor: It is terrible, I say to the Member for Carbonear. It is terrible. It is a disgrace to the whole democratic system of our society.

An Hon. Member: (Inaudible) will answer them.

Mr. Windsor: He will not answer. The Minister of Mines and Energy generally gives answers, I will give him credit. But the Minister of Finance is not giving any answers. He has not answered me on White's fisheries. Will he answer that?

An Hon. Member: (Inaudible).

Mr. Windsor: He does not know.

An Hon. Member: He answered it.

Mr. Windsor: He answered the question?

An Hon. Member: I didn't hear it.

Mr. Windsor: The Minister of Health cannot answer it. Is the plant operating I ask the Minister of Health, the plant in his District?

Mr. Decker: They got a guaranteed loan.

Mr. Windsor: They got the guaranteed loan?

Mr. Decker: Yes.

Mr. Windsor: The \$350,000 that was asked for.

Mr. Decker: They did not ask for that, they asked for \$150,000.

Mr. Windsor: An additional \$150 plus an extension of the \$200,000 they had. Did they get that? Does the Member know?

Mr. Decker: Yes, I know.

Mr. Windsor: They got the \$350,000. Very good. I hope the hon. Minister is right. I will check it. This is the extension of \$200,000. This is the one that was there, which was approved three or four years ago and is now being extended. They asked for an additional \$150,000.

An Hon. Member: Wasn't this one renewed on the eve of the Tory (inaudible)?

Mr. Windsor: I do not know exactly when it was renewed. It was renewed once or twice, I suspect. It was renewed a couple of times, I suspect.

Mr. Decker: (Inaudible) right on the eve of the Tory (inaudible).

Mr. Simms: It was renewed before that.

Mr. Windsor: What has that got to do with the tea in China. The fact is it was renewed. What I am asking the hon. gentleman now is, has it been renewed again? The \$200,000 has been renewed, but where is the extra \$150 they indicated very clearly that they needed? And where is the \$100,000 the Minister of Finance indicated in a Fax to the principal of that company would be forthcoming, and then the official subsequently said no it will not be? Who is running the Department of Finance now, the Minister or his officials?

Mr. Simms: You are not suggesting it shouldn't be renewed, are you?

Mr. Windsor: Maybe I will get a copy of that Fax, table it in the House of Assembly and then ask the Minister of Finance will he now honour that message he sent to that company. And we will get into that one further.

It is a waste of time, Mr. Chairman, to ask questions of the Minister of Finance. He is either incompetent, incapable, or unwilling to answer the questions.

An Hon. Member: Question.

Mr. Chairman: Shall the resolution carry?

Motion, that the Committee report having passed the Resolution without amendment and recommends a Bill consequent thereto, carried.

Mr. Baker: Mr. Chairman, I move that the Committee rise, and report the Bill without amendment.

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

Mr. Speaker: The hon. the Member for Bellevue.

Mr. Chairman: Mr. Speaker, the Committee of the Whole have considered the matters to them referred and have directed me to report that they have adopted a certain resolution and recommend that a Bill be introduced to give effect to the same.

On motion, report received and adopted, resolution ordered read a first and second time.

On motion, resolution read a first

and second time.

On motion, a Bill, "An Act To Amend The Loan And Guarantee Act, read a first, second and third time, ordered passed and its title be as on the Order Paper. (Bill No. 17).

Mr. Baker: Order 29, Mr. Speaker.

Motion, second reading of a bill, "An Act To Amend The Newfoundland And Labrador Hydro Act, 1975." (Bill No. 31).

Mr. Speaker: The hon. the Minister of Mines and Energy.

Dr. Gibbons: Thank you, Mr. Speaker. This is a very short Bill, Mr. Speaker. It is amending the Hydro Act, 1975, to obligate the Hydro Corporation to pay a fee on its outstanding guaranteed debt. This amendment is made by adding immediately after section 30 of the Hydro Act the following: A new section 30.1 on guarantee fees. The first Subsection of this new section states that the Corporation shall pay annually to the Minister of Finance a fee in respect of loans guaranteed by the Minister of Finance under this Act.

The second Subsection allows the Lieutenant-Governor in Council to make regulations regarding both the calculation of the fee referred to as well as the time at which the fee would be collected and the manner in which this would be done.

The third Subsection indicates that this guarantee fee would apply to guarantees that were given before the commencement of this Section, before the implementation of this Bill. Presently, 1990, approximately



\$950 million are outstanding in guaranteed loans to the Hydro Corporation.

The final Subsection of this Bill states that it would have effect retroactive to October 1, 1989, and regulations could be made thereto. It is a straightforward Bill, Mr. Speaker, to obligate the Hydro Corporation to pay the guarantee fee.

Mr. Speaker: The hon. the Member for Green Bay.

Mr. Hewlett: Thank you, Mr. Speaker.

This Bill, I would say, is representative of Government's attack on the electrical power consumers in this Province. Their attack has been somewhat subtle in using the budgetary measures, but no matter how you put it, the people of this Province are going to have to pay more and more for their electrical power based on two budgets in a row, a deliberate policy on the part of this Government to increase Newfoundlanders' hydro rates.

We saw in the Budget some time ago the announcement of the phaseout of the PDD subsidy of some \$30 million and, at the same time the phaseout was announced, the electrical rates across the Province, especially in remote and isolated areas, were not totally equalized with everybody else in the Province, even though the Government tried to give the impression at the time that it was so doing. It upped the threshold limit a little bit, but certainly the impression created by the hon. the Minister of Health in debate one evening was that somehow the Government had indeed equalized the rates across the Province in

addition, or as some sort of compensation for eliminating the \$30 million subsidy.

This particular Bill authorizes the Minister of Finance to charge a 1 per cent guarantee fee to the Hydro Corporation, and we found out from Estimates Committee meetings and various sources, that you are talking something like \$9 or \$10 million per year on something that is going to be ongoing.

The other point I would make with regard to this particular Bill is that the Minister of Finance, I guess, now that he has legislative authority to charge a guarantee fee, one of the clauses in the Bill gives him some flexibility as to the rates. If it is 1 per cent this year, they could easily make it 2 per cent the year after. They could do all sorts of things to make this a real money grabbing mechanism, Mr. Speaker. It is 1 per cent every year and, as I indicated, it is in the order of \$10 million a year under the current borrowings of Newfoundland Hydro.

On top of this, this particular Administration has decided to charge a payroll tax to the Hydro Corporations operating in this Province, the Crown Corporation and Newfoundland Light and Power. So in two Budgets in a row we have three very distinct and separate measures designed to rake in money for the provincial Crown at the cost of the electrical power consumers in this Province. It is part of a plan to balance the current account Budget of the Minister of Finance on the backs of the people of the Province. This Government has been pretty good at balancing its current account budget, but in so doing it

is throwing out of whack the household budgets of many thousands of people in this Province.

We recently saw the Hydro Corporation go before the Public Utilities Board asking for 4.5 per cent a year for three years, which comes to about 13.5 per cent. This particular rate request, according to what the Premier indicated to me in Question Period the other day, includes the guarantee fee we are currently considering here in this particular Bill. The Minister of Energy, though, indicated that the PDD subsidy phaseout would be over a period of eight years as far as the consumer is concerned. So the Hydro Corporation has been before the board for three years, and there is another five years to come. Included in the next five years, because it was not included in this particular rate application, and the Premier assures me there will not be a quick supplementary rate application, will be the 1.5 per cent payroll tax. So, Mr. Speaker, we have a payroll tax, a guarantee fee, the PDD subsidy phaseout and, on top of that, the federal GST is coming down. There have been hints from this Administration that they may even charge sales tax on electrical power. So, over the next several years, let us say seven or eight years, consumers of electricity in this Province could easily anticipate an 40 to 50 per cent increase in electrical power rates.

Now, I have questioned the Minister on this in Question Period, and I have questioned the hon. the Premier on this, and the way they have been getting around dealing with that hard, cold reality is they indicate that the

Utilities Board is a quasi-judicial board and that they are not in a position to prejudge its rulings down the road. But if you use a bit of common sense and normal factors for inflation, given the information we already have available, you can easily extrapolate, Mr. Speaker, that there will be, over the next seven or eight years, a 40 to 50 per cent power increase.

And the truly ironic thing about this, Mr. Speaker, is that it comes from a Liberal Party which was absolutely allergic to Hydro power increases when they were in Opposition. I remember I was an employee of the Government at the time and I sat in the gallery many, many days and watched Stephen Neary, a prominent Member of the Liberal Party and interim Leader for awhile of the Liberal Party, stand in this Assembly with endless petitions, and every time the words rate increase would come up, Mr. Neary would practically break out in a rash. The Liberal Party was spotted red in Opposition just from the rash they had whenever the words electrical power rate increases came up. Now they are in Government and they are red all over, they are embarrassed, because they totally flip-flopped on this particular matter. What they were allergic to once, they are actively promoting now through the budgetary process.

Where are the Liberals now, Mr. Speaker? Where are the Liberals now? They agree with things today they considered a crime a couple years ago. Margaret Thatcher and Ronald Reagan have nothing on this bunch, Mr. Speaker, nothing at all. This is the most ultraconservative, anti-consumer Government that this Province has

seen in a very long, long time.

Some Hon. Members: Hear, hear!

Mr. Hewlett: They have this notion that somehow, through some magic of Dr. House and a few other Ministers, they can turn the economy of this Province into a totally Reaganesque and Thatcher-esque free-enterprise economy overnight, even though we have currently very much a hybrid economy, with a considerable input from Government in just about every major industry we have in this Province. But somehow these people are going to be blue Tories, Mr. Speaker, these people are going to be ice blue Tories; these people are going to totally reform the economy overnight, turn it into a totally free-enterprise economy. And somehow all the people affected in the interim, over the next half dozen years, while we are on our way to Mecca, somehow these people are not going to fall through the cracks, somehow these people are not going to have to move to Mississauga. Well, Mr. Speaker, in my District they have very little choice. It is welfare or Mississauga, and this particular Administration appears to be bent on totally rewriting the economy of this Province with no cushions, no interim measures whatsoever; no job creation programs to help people who are caught in their cold draconian policies, nothing, Mr. Speaker.

An Hon. Member: (Inaudible).

Mr. Hewlett: The Feds! That is all they have to say, let the Feds take care of it. Mind you, they spend most of their time making war on the Feds and now the Feds are supposed to come down here and take care of all the things they

were elected themselves to do.

An Hon. Member: (Inaudible).

Mr. Hewlett: Mr. Trudeau, Sir, Mr. Trudeau was a centralist Prime Minister. Your Government right now, Sir, is -

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please!  
Order, please!

Mr. Hewlett: Your Government right now is negotiating an offshore agreement under an umbrella agreement called The Atlantic Accord Mr. Trudeau wouldn't give us if we died! Mr. Chretien wouldn't give it either. Mr. Chretien gave us the Nova Scotia's Agreement. That was all he was willing to give. And what rider did they put on the back of the Nova Scotia Agreement? If Newfoundland gets a better one, we get it too! So much for Mr. Chretien! And that is the totally ironic part, Mr. Speaker. The majority of politicians on that side of the House today in the National Leadership Convention coming up are going to march up to the convention and they are going to vote for Mr. Chretien, the guy who wouldn't give you the umbrella agreement which is allowing you to negotiate an offshore agreement right now. No wonder the Minister of Energy wanted to vote for Mr. Martin. He was afraid of Mr. Chretien's record!

Mr. Simms: He wouldn't give you the sweat off his brown.

Mr. Hewlett: So what have they done, Mr. Speaker? They are going to totally transform this economy, no interim measures to help people who are going to fall through the cracks. Their Budgets, Mr.

Speaker, even though they sound good for the first couple of days, all of a sudden, when people dig into them, they find there are all kinds of hidden taxes and fees. They are going to increase power rates 40 to 50 per cent over the next several years, they cut hospital beds, strangled school boards, Mr. Speaker, and all they do is wave recipe books.

What else do they do, Mr. Speaker? While the economy of this Province is falling down around our ears, while they are taxing people to death, while they are raising their power rates, what do they do? They pursue Meech Lake and amalgamation to the exclusion of almost any other governmental activity.

In pursuing their Meech Lake 'dream', Mr. Speaker - that is about the only way to describe it, because it is not real - they have totally soured our relationship with Quebec, and the Minister of Energy over there is trying to negotiate an energy deal with Quebec. How, in the name of God, can you do an energy deal with Quebec, given the relationship we have with them? I know the Minister of Energy says it is all businesslike and so on and so forth, but this crowd think they can kick people in the shins one day and kiss them the next and nobody cares. It doesn't work that way in the real world, Mr. Speaker.

Amalgamation: They nailed just about a third of the communities in the Province on amalgamation, not having anything to do for the ordinary people in the Province except taxing them and robbing them. What do they do? They try to amalgamate them, against their will, for the most part. People

who see their fish plants closing and their livelihoods being destroyed, what do they get from this Government? Higher taxes, higher power rates, amalgamation and Meech, Meech, Meech. That is all they have got out of this Government, Mr. Speaker.

Some Hon. Members: Oh, oh!

Mr. Hewlett: Mr. Speaker, they have even tightened up the rules on firewood. You can't afford electric heat, and now they have made even stronger rules against going in and cutting your own firewood. This Government is not the people's Government, Mr. Speaker, this Government is against the people. This is a big shot Government. This is a please the bondholders in New York Government. This is not a people's Government, this is not a liberal Government, be it large or small 'l', Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Hewlett: So, here we have a little one page bill, an innocuous little piece of paper, says the Minister of Energy, two or three little clauses, but, with a few words, I mean, you can do a heck of a lot of damage, as the Minister of Finance and the Minister of Social Services have found out, in their day.

An Hon. Member: (Inaudible).

Mr. Hewlett: All you can do, Sir, is throw your mud across the floor. Well, good luck to you with it.

Some Hon. Members: Oh, oh!

Mr. Hewlett: I am talking about the Government. I am not getting into personalities and a fight

with the Minister of Social Services.

And this Bill, Mr. Speaker, as I said, requires that they go before the Public Utilities Board, Hydro, to recoup some of the monies that the Government is hauling out of them to put into their coffers. And what have they done to the Public Utilities Board, Mr. Speaker? They gutted that board. They gutted the Public Utilities Board, put in a tame consumer advocate.

A little while ago we had a court decision on a Newfoundland telephone application before the board, and the decision indicated that the pension benefits of the senior executives, or something or other, were not allowed to be considered in the costs involved in the telephone company setting its rates. The people on that board who sided with the phone company are the people now who are left on that board. The people who stood up to the large corporations, like Mr. Andy Wells for instance, he got the flick from the Board.

And I saw the new consumer advocate on the T.V. there some time ago, Mr. Speaker, and believe me it seems awful tame to me. I have always believed that the role of the consumer advocate, and the Minister of Treasury Board should know about it because he had his day in the sun and that in opposition, the role of a consumer advocate is to shoot first and ask questions later. But what we have now is an all too understanding consumer advocate, and a gutted Public Utilities Board that is going to be friendly to the big companies and not look out for the little guy in this Province. Heaven knows this Government is

not going to look out for the little guy. This Government is going to balance its budget, and balance it on the backs of the ordinary people of this Province.

I have very little confidence in large organizations that are too friendly with each other.

An Hon. Member: (Inaudible).

Mr. Hewlett: Totally against friendship, Sir.

So, Mr. Speaker, you have a tame consumer advocate, a tame Public Utilities Board, a \$30 million subsidy phaseout, a one per cent loan guarantee, a 1.5 per cent payroll tax. Hydro is going to be beating a path to the Public Utility Board door, and experience in the past always shows that when they have something imposed on them from the outside by Government, the Board is not going to require them to come up with all the money from internal savings. When it is imposed from outside, like in a budgetary measure, the corporation is going to get their way, the Utilities Board is going to approve the money, and over the next little while the consumers of this Province are going to end up paying forty to fifty per cent extra in Hydro bills over the next several years.

An Hon. Member: What?

Mr. Hewlett: Forty to Fifty per cent over the next seven or eight years, yes. We have thirteen up before the board now for the first three, plus GST coming down on top of it.

An Hon. Member: (Inaudible).

Mr. Hewlett: Yes it will be 40 or

50 per cent.

An Hon. Member: (Inaudible).

Mr. Hewlett: Yes, everybody in this House voted against the GST if I remember correctly. Mr. Speaker, I have said all along that this Government's preoccupation with Meech Lake and amalgamation was nothing more than a smoke screen, but, sooner or later, and I am noticing it in my District, the winds have changed; the real change has blown the smoke away and people are starting to see the reality of this Government, its tax grabs, its hidden program cutbacks, its power rate hikes. People are starting to see through the smoke screen.

The Premier invented Newfoundland's great concern with Meech Lake. It was not an issue in the election, not an issue at all. A couple of mainland papers locked on to it when they saw that Premier Wells got elected, because they were the only ones who knew about his concerns. But, it turns out, Mr. Speaker, that the smoke screen around Meech Lake was probably a toxic smoke screen, because, if you watch the news these days, the very existence of the nation of Canada is in grave doubt.

There were two provinces who had legitimate concerns from their point of view with regard to the Meech Lake agreement, Manitoba and New Brunswick. Premier Wells came on the scene with very radical concerns with Meech Lake and, if anything, he became the lightning rod for all the anti-Quebec sentiment in Canada. He helped whip up a certain hysteria across this nation against Meech Lake that was not there in general terms, not bubbling madly on the

surface. There were certain problems in a couple of provinces. Those problems may have been able to be addressed, but Premier Wells turned up the heat on the debate to hysterical proportions, and what do we have today? As I said, Mr. Speaker, the smoke screen turned out to be toxic smoke. The nation appears to be choking on Premier Wells' smoke screen. The Province is already just about dead from it, and now the country appears to be in deep trouble because of it, as well.

An Hon. Member: Sit down, now, and (inaudible) this bill.

An Hon. Member: A good speech.

An Hon. Member: An excellent speech.

Mr. Hewlett: Thank you.

So, Mr. Speaker, their smoke screens are not working. Amalgamation blew up in their faces. Meech Lake may blow up the nation. So if they think they can balance their precious little Budget on the backs of the ordinary people, and people are going to be so distracted about the country falling apart, and everything else, that they will not notice; you can only do that for so long, Mr. Speaker. Sooner or later, the actual impact on the pocketbooks of the Minister of Finance's budgetary measures, especially those relating to power rate increases, is going to be felt by the people.

Sooner or later, they are going to realize that the great Liberal Party betrayed them, that the great Liberal Party is liberal no more, that the great Liberal Party that Joe Smallwood talked about

over and over again, is an ice blue party, Mr. Speaker, a cold, heartless, draconian party that doesn't care about the little people any more at all. It depends upon how many times you are severed, I guess, Sir. So what are the consumers facing: 40 per cent to 50 per cent - they do not like me repeating that Mr. Speaker - I have said it over and over and over and I will say it over and over again. PDD phase out, \$30 million, loan guarantee fee \$9 million or \$10 million, payroll tax and several other million dollars, 1.5 per cent. Those things are like, I guess, death and taxes are with us always. You add all those things together, given the fact that for the first three years of an eight year phase in period for PDD we are after 13 per cent, add in Federal GST and your usual inflationary factors and yes, you are facing 40 per cent to 50 per cent over the next several years. This from a Liberal Party, as I said earlier, who were absolutely allergic to the concept of raising the electrical power rates, even for inflationary purposes. When they were in opposition it was up to the Hydro Corporation to take internal cost-cutting measures to avoid even going for rate increases because of inflation, Mr. Speaker.

An Hon. Member: (Inaudible).

Mr. Hewlett: Got it PUB, yes that is true.

Well, as I indicated earlier the people who got reappointed to the Board were the people who were soft on the big telephone company. So I can only assume that the Board, in dealing with Hydro rate increases - I mean Newfoundland Light and Power just

loves this Government, Mr. Speaker - they announced a policy there a little while ago where they are going to open up a lot of books and streams. Every river is going to be dammed, Mr. Speaker. I suppose, environmentally, you could probably have a play on words on that.

An Hon. Member: (Inaudible).

Mr. Hewlett: Well, I mean, there is a certain gentleman in this Assembly who holds a certain high office, who used to be Chairman of that particular Corporation.

Some Hon. Members: Oh, oh!

Mr. Hewlett: The big companies just love this Government, Mr. Speaker.

Some Hon. Members: (Inaudible).

Mr. Hewlett: This is a big-shot Government, Mr. Speaker, when you think about what they did on this Crown Lands Bill about access to the private beaches and so on. Who is there in this Province that they have to please, that they would risk alienating almost the entire general population of the Province in order to provide private beaches to a certain few? Who is there that they have to please, Mr. Speaker?

Politically speaking, what they are doing on this Crown Lands Bill and their stubbornness and adamancy on it, just tells me that they are in the same league as they are in this power stuff. The big companies, the big shots, are the ones they are playing up to. Your ordinary consumer is going to get socked on his power bills, he is going to get socked on his tax increases.

Ms Verge: No Ombudsman.

Mr. Hewlett: The Ombudsman has been done away with, not only have they gutted the PUB, they killed the Ombudsman. These people are against anybody who is a friend of the common man.

Mr. Simms: Sock it to the poor people.

Ms Verge: Or the common person.

Mr. Hewlett: Or the common person, Mr. Speaker, I stand corrected. I do apologize for my sexist language, yes.

So, Mr. Speaker, where have all the Liberals gone? There are no Liberals left. To hear them talking over there you would swear that Ronald Reagan was Premier of this Province or that certainly he was Finance Minister of this Province. You would swear that Margaret Thatcher was the Minister of Employment and Labour Relations, certainly when it comes to job creation programs, because they are not willing to spend a red copper on anything to help out the little people of this Province. Everything has to be done by the Feds to help out the little guys, and this Government, through the budgetary action and the legislative change is basically playing up to certain large important elite vested interest groups in this Province, which is a far cry from what the Liberals used to be like when they were in Opposition, Mr. Speaker.

Mr. Simms: (Inaudible).

Some Hon. Members: Oh, oh!

Mr. Hewlett: Where have all the Liberals gone? Short time passing, Mr. Speaker, short time

passing.

Some Hon. Members: Hear, hear!

An Hon. Member: Yes, it was very short, yes.

An Hon. Member: Short time passing, yes.

Mr. Hewlett: And as I said, Mr. Speaker, sooner or later, I mean, it is going to catch up with them. You can only pretend to be about the people's business for so long. Sooner or later they are going to find out, when their taxes go up, when their power bills arrive and they are gone up.

An Hon. Member: Tell them about tourism.

Mr. Hewlett: Tourism. They do not know it exists. They put it in a Department that is being run by a university bureaucrat, Mr. Speaker.

Some Hon. Members: Oh, oh!

An Hon. Member: (Inaudible).

Mr. Hewlett: I cannot mention the name House in the House could I? Anyway!

Some Hon. Members: Oh, oh!

Mr. Hewlett: Mr. Speaker, sooner or later the people are going to see through their smoke screens. Sooner or later the reality of this Government is going to strike home to Newfoundlanders. They talk good. The Premier is extremely articulate. Yeah, Mr. Speaker, , the Premier is slick.

Some Hon. Members: Oh, oh!

Mr. Hewlett: Yes, a used car salesman, Mr. Speaker. But sooner



or later, I mean, even oil slicks go away, they are dissipated by the winds and the cold realities of the ocean. Slick does not last forever. It helps you to skate in the short while.

Mr. Simms: Does the hon. Member wish to adjourn the debate?

Mr. Hewlett: Well, Mr. Speaker, I will adjourn the debate until Thursday with this following comment, sooner or later the people are going to see the reality of the hon. crowd opposite and their battle cry is going to become 'alls well that ends well'.

Thank you.

Some Hon. Members: Hear, hear!

Mr. Speaker: The hon. Opposition House Leader.

let us know which Private Member's Motion is being debated tomorrow.

Mr. Speaker: The Government House Leader.

Mr. Simms: Yes, Mr. Speaker, I am pleased to advise hon. Members we will be debating the resolution with respect to the Government's inaction to develop plans to address the unemployment situation in our Province, which was given notice of today by my colleague the Member for St. Mary's - The Capes. And I am sure we will have excellent debate on it tomorrow.

An Hon. Member: It will be interesting.

Mr. Simms: Very interesting.

Mr. Speaker: The hon. the Government House Leader.

Mr. Baker: Thank you, Mr. Speaker.

I move that the House at its rising do adjourn until 2:00 p.m. tomorrow and that this House do now adjourn.

Mr. Speaker: Order, please!

I wonder, before putting the motion, if hon. Members would call it 5:00 o'clock, so I could rule on the point of privilege of today. I said I would rule on it today, but if hon. Members do not want it I will leave it until tomorrow. It will only be a minute.

An Hon. Member: Leave it until tomorrow, the hon. (inaudible).

Mr. Speaker: Okay. Will do. No, it is a short one, but it is okay.

An Hon. Member: (Inaudible).

Mr. Speaker: The motion is that this House do now adjourn. All those in favour of the motion, 'Aye'.

Some Hon. Members: Aye.

Mr. Speaker: Those against the Motion, 'Nay'.

Carried.

On motion, the House at its rising adjourned until tomorrow, Wednesday at 2:00 p.m.