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**VERBATIM REPORT**  
*(Hansard)*

*Speaker: Honourable Thomas Lush*

Thursday

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The House met at 2:00 p.m.

Mr. Speaker (Lush): Order, please!

Before proceeding to our routine business I would like to extend a warm welcome to some visitors here. First we want to extend a warm welcome to a combined delegation, eleven students from the Henry Gordon Academy at Cartwright and eleven students from Ascension Collegiate, Bay Roberts, accompanied by their teachers Az Smith, Patty Way and six parents.

Some Hon. Members: Hear, hear!

Mr. Speaker: Also, another delegation of students, 36 Grade XII students from Bishop O'Reilly school, Port au Port accompanied by their teachers, Kathleen Lawlor, Isa Lucas and Vernon Benoit.

Some Hon. Members: Hear, hear!

#### Statements by Ministers

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

Some Hon. Members: Hear, hear!

Dr. Gibbons: Thank you, Mr. Speaker. Last year, Mr. Speaker, I informed all Members of this House of Government's intention to re-tender the principal contract for the Marine Offshore Simulator Training and Research Center Project - a project that is being carried out under the auspices of the Canada-Newfoundland Offshore Development Fund Agreement.

As Members may recall this center is to be established at the Marine Institute and will include the

most technologically advanced ship handling simulator in the world as well as an offshore platform ballast control simulator, both of which will serve a multitude of marine training and applied research projects.

The reason for re-tendering this project was that the low bidder at that time, Krupp Atlas Limited of West Germany, was not able to carry through in a manner acceptable to the Province with its stated commitments concerning Newfoundland industrial benefits. In the interest of being fair to all companies who previously bid on the project, and given the large sum of public funds involved, Government felt there was no option under the circumstances but to call for new tenders. This re-tendering process has taken much longer than we anticipated, but I am pleased to be able to inform the House today that Government has now reached a decision on this matter and intends to award the contract to a consortium of companies led by NorControl Simulation Limited of Norway. This contract is valued at approximately \$8.5 million and was the lowest bid received by a considerable margin. I should also mention that the successful bid is almost \$1.6 million less than the lowest bid submitted in the first tender call. As well, Government's previously stated objective of delivering this project in a manner which would optimize the level of industrial and technology transfer benefits for the Province has been achieved.

In this regard, Newfoundland firms will form a major and important part of the consortium of companies, with a minimum of 21 per cent of the work being

directed to at least five local firms led by Newtech Instruments of St. John's. Other local firms that will participate in the design and manufacture of the simulation equipment are: Instrumar Limited, Sigma Engineering, Metalfab Limited and Josco Industrial Limited. As well, substantial new technology pertinent to the marine simulation industry will be acquired by these firms as a result of their association with NorControl, which in its own right is one of the world leaders in the marine simulation industry today.

By building on their existing corporate capabilities and by capitalizing on NorControl's international track record and marketing network, the Newfoundland firms involved should, at the conclusion of this project, be in a much strengthened position to capture future high tech work, both nationally and internationally. In the furtherance of this objective, the local firms have just entered into a formal Memorandum of Understanding with NorControl, to co-operatively and jointly pursue other business opportunities by capitalizing on the technological and business strengths of each member company.

Mr. Speaker, it is timely that this project is, at long last, now proceeding to the implementation stage. As Members of this House will no doubt recall, the enhancement of safety in the offshore was a major factor in the approval of this initiative some three years ago. In particular, the acquisition of a ballast control simulator addresses a key recommendation of the Royal Commission on the Ocean Ranger Marine Disaster that offshore

drilling personnel be exposed to this type of training wherever possible. With Government's decision on the tender award that I am announcing today and the green light recently given to Hibernia, we are assured that this world class facility at the Marine Institute will be fully operational within the next two years, well before production activity starts at Hibernia.

Some Hon. Members: Hear, hear!

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

Mr. Hewlett: Thank you, Mr. Speaker.

On behalf of my party, Mr. Speaker, I would like to indicate we are pleased the project is going ahead. I would also like to thank the Minister for an advanced copy of his statement. I am pleased as well that this particular tender call saved government some money, taxpayers money, unlike a recent bridge contract which ended up being a windfall to a certain construction company.

Mr. Speaker, it is probably ironic that a Liberal Minister is making this announcement. Had the Liberals been in power ten years ago they would have signed Mr. Trudeau's offshore agreement, which gave all power to Ottawa.

There would have been no Atlantic Accord and no Offshore Development Fund. Nothing whatsoever.

Some Hon. Members: Hear, hear!

Mr. Hewlett: All power to Ottawa. Yesterday, Mr. Speaker, we saw them defending the Senate. Their minds and their hearts are

in Ottawa.

I suppose in one regard, Mr. Speaker, you could be surprised that they have actually gone ahead and got this thing organized. A short while ago they indicated that they had left their monitoring team on the offshore dead for the better part of eighteen months and just started it up again recently. If the PCs had not been in power in the 1980s there would have been nothing done to prepare us for the offshore.

Given this government's budgetary mess right now, for every job that is being created in Hibernia we are going to lose two or three through government layoffs, Mr. Speaker. One step forward and two steps back. And the hon. crowd opposite, Mr. Speaker, in conclusion, they said Brian Peckford had oil on the brain. Well, Mr. Speaker, at least he had a brain, all they got is our oil.

Thank you.

Some Hon. Members: Hear, hear!

Mr. Speaker: Before recognizing the hon. Minister, again on behalf of hon. Members I would like to extend a cordial welcome to two former Ministers, therefore two former Members of this House in the persons of Mr. Jerry Dinn, and Mr. John Nolan.

Some Hon. Members: Hear, hear!

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

Dr. Gibbons: Thank you, Mr. Speaker.

Mr. Speaker, I have not been as fortunate in this case in having time to get this statement

distributed. This is based on yesterday's meeting that I had in Ottawa with the Federal Energy Minister and my colleagues from across the country, so it is a report on the meeting I would like to make. The meeting was called last Friday as an urgent and emergency meeting to discuss the Persian Gulf crisis and what we might do as a result.

The actions in the Persian Gulf, although taking place far from Newfoundland, are presently having a significant impact on this Province. All consumers in Newfoundland have recently witnessed a steady climb in the price of gasoline, furnace oil and other petroleum products. We expect to see further increases. The magnitude of the increases will be determined by a number of factors including the political situation in the Middle East.

Mr. Speaker, world petroleum markets are very sensitive to any action that affects crude oil supplies. Normally a supply disruption puts upward pressure on crude oil prices which are ultimately reflected in consumer prices for petroleum products. However what we are witnessing today is a situation where there is no real supply shortage. But prices are nevertheless rising because of the fear of possible supply shortage. This reflects the speculative nature of world oil markets, not the normal supply-demand fundamentals.

Mr. Speaker, with the recent invasion of Kuwait by Iraq and the resulting embargo on Iraq trade by the United Nations, four point three million barrels per day of crude from Iraq and Kuwait is no longer available. However this shortfall has been made up through

increased production by OPEC and non-OPEC countries as well as by the drawdown of commercial stocks in a number of countries like the United States and Japan.

Mr. Speaker, with respect to supply of petroleum products in this Province, there are no real problems if the status quo continues. However this assumes no further supply disruptions, no change in the political military situation in the Persian Gulf, normal winter conditions, and no major refinery problems. None of these can be assumed with any great deal of confidence at this time. Unfortunately Atlantic Canada, and particularly Newfoundland, is almost totally dependent on imported crude oil to meet its requirements for petroleum products. Any adverse changes in the current situation could have very serious consequences in this region.

Mr. Speaker, regardless of why crude prices rise, consumers in this Province and in other provinces are asked to shoulder the burden. Since August 1, crude prices have increased by \$18 per barrel. To consumers in Newfoundland this means an increase of between 13 cents per litre to 16 cents per litre depending on the particular product. To put this in perspective, for furnace oil consumers this means an eventual increase of about \$120 to fill up a 200-gallon tank. This is a major increase, particularly considering we are now entering the heating season.

It is also based on the current situation. Should things get worse the impact will be even more dramatic. Mr. Speaker it is incumbent on governments in

Canada, and Newfoundland is no exception, to ensure that price increases are fair and reflect only the legitimate extra costs incurred by the companies. Further increases in price are inevitable but we must ensure that the timing of these increases, and the magnitude of these increases are fair. We intend to ensure that in this case.

Mr. Speaker, over the past several weeks I have discussed this very topic with my colleague, the Minister of Justice, who is responsible for consumer affairs. If, in fact, there is any indication of unfair prices we are prepared to recommend to our colleagues measures to regulate the marketing of petroleum products in this Province.

Some Hon. Members: Hear, hear!

Dr. Gibbons: We feel obligated to take whatever measures are required to ensure the people of this Province are protected from prices that are over and above those that would normally result from world fluctuations and that are beyond our control. For example, as of two days ago there was an eleven cent per litre difference in furnace oil prices between Newfoundland and Prince Edward Island, and that to me is unconscionable.

To address the above issues, Mr. Speaker, I have written to, and will be meeting shortly with, representatives of all major oil companies marketing products in this Province.

Some Hon. Members: Hear, hear!

Dr. Gibbons: My colleague and I want a clear and full explanation of timing and magnitude of recent

price increases. I might state that the first of these meetings is at 2:00 tomorrow.

Mr. Speaker, to lessen the impact of the higher prices and to more effectively deal with any possible future supply shortfall both Federal and Provincial Governments have in place, and continue to develop, various contingency plans.

Under the International Energy Agency Agreement on emergency sharing of oil supplies, Canada as one of twenty-one nations is obliged to implement a range of measures, from participating in international crude oil allocations in sharing through demand restraint to potential rationing. These international treaty agreements are triggered when crude oil supply shortfalls reach 7 per cent, and 7 per cent is not a big number. At the present time, as indicated earlier, there is no real shortfall, but it is certainly possible with the present world circumstance. In addition the International Energy Agency has advanced a policy known as Co-ordinated Emergency Response Measures, otherwise known as CERM for less than the 7 per cent trigger for mandatory actions. CERM is composed of voluntary measures to enhance supply and to restrain demand. In Canada the only viable option under CERM is voluntary demand restraint. The international agency is urging member countries to now complete preparations and take all decisions on a standby basis to enable its authorities to act immediately and effectively implement demand restraint measures at the onset of any significant oil supply shortfall. In recognition of this, the Government of Canada is

establishing an interdepartmental task force to plan for key measures and communications strategies which the government would undertake in its own operations as well as demand restraint measures it would be exhorting the general public to take. The Federal Government is also setting up a crisis management centre to deal with emerging oil supply issues and to assist in managing the situation should the international oil supply scene worsen. Newfoundland has nominated a person to sit on that Crisis Management Committee.

While the current situation emphasizes the importance of demand restraint, planning in this regard has been ongoing for a number of years. It was recognized early in the process that demand restraint for it to be successful, the co-operation of all provincial jurisdictions and the Federal Government is required. In June of this year, a few months ago, we, the Government of Newfoundland, signed a Memorandum of Understanding for petroleum emergencies with the Federal Government. This Memorandum of Understanding sets out the relevant responsibilities of the two levels of government, and emphasizes that an effective provincial contingency plan of demand restraint will enhance considerably the national emergency capacity.

My officials are presently working closely with the other jurisdictions in this regard and they have acknowledged the importance of consistency and demand restraint measures and communication strategies across the nation. Mr. Speaker, with the emerging possibility of an oil shortage we must begin conserving

immediately in whatever ways that are possible. As the Energy Minister I urge all energy users in all sectors to tune up your furnaces and vehicles, drive less, turn down the heat in response to higher fuel prices, and take all other actions that we can reasonably do.

In addition, the present situation reinforces the need to build improved energy efficiency into the provincial economy, and also shift off oil to alternative energy sources where it is economic to do so. To achieve this goal my department provides sound information and technical advice to help energy users to upgrade their systems and also to implement demonstration projects to introduce new energy technology projects. In order to obtain input on possible additional government actions, I have initiated a strategic planning process involving consultations with representatives of all the energy companies in in-user sectors.

Mr. Speaker, based on these consultations, I will be bringing forward policy recommendations on actions that government could take to improve the efficiency of energy use in all sectors of the provincial economy and further develop our alternative energy resources.

Mr. Speaker, in closing I wish to reiterate that the Minister of Justice and I intend to monitor closely the volatile petroleum market and to take whatever measures are appropriate in the circumstances to avoid or mitigate higher prices and to ensure an adequate supply. Thank you.

Mr. Speaker: The hon. the Member

for Green Bay.

Mr. Hewlett: Thank you, Mr. Speaker.

I will be brief. As the Minister indicated, I did not get an advance copy. I am pleased the minister and his colleagues across the country are paying particular attention to this problem of the rising prices of oil. I am pleased they have also indicated that they are willing to regulate if the situation gets totally out of control. One word of caution though, Mr. Speaker. This particular government, in its dealing with the regulation of electrical rates, has come down heavily on the side of the power utilities and not on the side of the consumer.

I am pleased that this particular government appears to be finally developing a degree of consumer awareness, and I do hope that any policies or legislation brought down will have the consumer in mind. Thank you.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please!

The Chair would like to remind hon. Ministers in particular of Beauchesne, page 107, paragraph 349. I know there are extenuating circumstances which may not force this rule to be applied, but I would just like to read it to hon. Members. 'It is the tradition and a courtesy for Ministers to advise their Opposition critics when it is intended to make a ministerial statement in the House, and Ministers are encouraged to follow this practice.'

As I have said, there are extenuating circumstances when it

can't be done. 'Nevertheless', as Beauchesne goes on to state, 'failure to adhere to this courteous practice does not prevent a Minister from making a statement'. The Chair would advise hon. Ministers of the tradition and the practice.

#### Oral Questions

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

Mr. Rideout: Thank you, Mr. Speaker.

The Newfoundland and Labrador Hospital and Nursing Home Association has said publicly that the freezing of the hospital budgets for next year, coupled with increases in salary, increased costs for Workers' Compensation and other factors, will have the effect of reducing the amount of money they have to spend by 12 per cent or \$60 million.

As a matter of fact, Mr. Speaker, hospital administrators around the Province today have been detailing those cuts. As Sister Davis, for example, at St. Clare's has said, beds will have to close, there will have to be reductions in programs and in services, and there will have to be lay-offs. Now, again, today, I want to ask the Premier if he would now confirm these facts, that close to 15 per cent of all hospital beds in the Province will have to close next year, and what advice does the Premier have for ordinary Newfoundlanders as to where they should go to seek hospital care next year?

Mr. Speaker: The hon. the Premier.

Premier Wells: Mr. Speaker, before I respond to the request to confirm the facts, let me correct something that appears to be out of order. I am not quite sure what the Hospital and Nursing Home Association is using to determine their 12 per cent.

An Hon. Member: Simple mathematics.

Premier Wells: It takes a bit more than simple mathematics to come that conclusion. Unless they anticipate that inflation and ordinary increase in costs is going to amount to 12 per cent, I do not see how they can get to that position. So I question the figure.

But I must say, Mr. Speaker, that the Government is very pleased with the Hospital and Nursing Home Association and others who are working very co-operatively with the Minister of Health, and others working with the Minister of Education and other Ministers, working co-operatively to help deal with this very difficult problem.

I will not confirm these so-called facts because, Mr. Speaker, they are not facts. I do not know where these numbers that are being bandied -

Mr. Tobin: (Inaudible).

Premier Wells: Mr. Speaker, if the other side wants the hon. Member for Burin - Placentia West to answer the question, I will gladly yield. But if they want me to answer the question, then I would like to be able to be heard.

Mr. Tobin: What about the Minister of Education (inaudible)?



Mr. Speaker: Order, please!

Premier Wells: I will yield if the member wants to answer. Let me caution people about using these numbers. There is no reality to those numbers that I know of. Anybody, the Opposition, any group that is affected, can put up a big bogeyman and say this is what it is going to mean, and it is going to mean devastation.

Mr. Speaker, the numbers are not calculated by anybody yet in terms of jobs. Nobody knows exactly how the cuts are going to be achieved or how the savings are going to be effected. So, until those decisions are made, nobody can say with any degree of certainty or any real degree of confidence what the number of cuts may be until the decisions are made as to what is going to be done. So to bandy about these numbers is, in my judgement, irresponsible.

There is no suggestion that there is going to be 1,200 or 3,200, I thought I heard somebody say, they are just outlandish numbers people are just bandying around for the purposes of making noise. As soon as the Ministers are advised as to what the consequences of the cost-cutting measures will be, I am sure they will be happy to let the House know.

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

Mr. Rideout: Thank you, Mr. Speaker. Mr. Speaker, the Premier out of one side of his mouth tries to compliment the Hospital and Nursing Home Association, and out of the other side gives them a slap in the face.

This information is contained in a

press release issued by Mr. Nurse of the Hospital and Nursing Home Association, saying that because of payroll tax, workers' compensation, increased salaries for hospital and nurses and so on next year, they will be 12 per cent down. That is where the facts are coming from, Mr. Speaker.

Now let me give the Premier another fact. I have been advised that the Pentecostal Nursing Home in Clarke's Beach has been told to cut its number of patients by 25 percent, from 100 beds to 75 beds. Now will the Premier confirm that the Government has ordered them to do that? And where are the senior citizens going to go? Throw them out in the street next winter, Mr. Speaker?

Mr. Speaker: The hon. the Premier.

Premier Wells: I do not know what the hon. Member was waving around, but I can say with a high degree of certainty, Mr. Speaker, that payroll tax has no bearing on it. None at all. It is an in-and-out entry, so it has no direct -

Ms Verge: (Inaudible).

Premier Wells: Well, then, I dispute their position. I am advised that the payroll tax has no direct bearing on it. If it used for adding numbers, then I suppose they want to add numbers for some reason or other.

Which hospital was it? I have forgotten which one he said.

Mr. Rideout: The Pentecostal Home in Clarke's Beach.

Premier Wells: The Pentecostal Home in Clarke's Beach. I cannot confirm that that home has been

told by the Government to cut their operations by 25 per cent. What I can do is take the question under advisement and determine the answer, and I can let the House know in due course.

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

Mr. Rideout: Thank you, Mr. Speaker. I have a supplementary question, again for the Premier. The Minister of Health, in meeting with the Hospital and Nursing Home Association last weekend I have been advised, told those people that the Government does not intend to take responsibility for the effects of freezing their budgets. Now the question I want to ask the Premier is this: Why won't the Premier and the Government take full responsibility for their actions and not try to slough it off and pawn it off onto some organization, like the Hospital and Nursing Home Association?

Some Hon. Members: Hear, hear!

Mr. Speaker: The hon. the Premier.

Premier Wells: Mr. Speaker, we increased the budget in the Department of Health last year by \$80 million, I believe was the figure - \$75 million or \$80 million. So, that was a major increase in budget. The hon. the Leader of the Opposition can characterize this any way he wants to. He chooses to characterize it as the Government not taking responsibility for making the decisions.

The answer is fairly simple. We are doing the intelligent thing. We are acknowledging that managers of hospitals know more about running hospitals than the

Minister of Health does, or the Minister of Development or the President of Treasury Board do. We are simply acknowledging a plain, simple, straightforward fact and we are giving those people who are responsible for the provision of service the credit they are due for being capable, able managers. We are saying, we have a limited amount of dollars. You know best how to provide the services you are required to provide within the limits of the funds available to you, so you make the decision.

We are taking the responsibility for saying it is our decision that that is all the money they are going to get. That is our decision, it is our fault, it is our credit. If it is wrong, we are at fault. If it is right, we get the credit. That is our responsibility. It would be irresponsible for us to say to the managers of the Health Services here is how you are going to do it, when it might be wrong and cost more in the long run. We are just being sensible and responsible.

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

Mr. Rideout: Mr. Speaker, I must remind the Premier that those same people, those same responsible people he is talking about, are the people who are saying they will be \$60 million short next year as a result of the budgetary actions of this Government.

Now, Mr. Speaker, I have a question for the Minister of Education. The Minister of Education told this House yesterday that \$30 million or perhaps more will have to be cut from the Education Budget next

year. I want to ask the Minister, will he inform the House now and the people of this Province what user fees, what new taxes, what revenue measures, which he made reference to yesterday, will the department be using to make up for some of that shortfall? How much are parents going to have to pay for school bus transportation, Mr. Speaker? What revenue measures is the Minister planning to implement and how much are they?

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

Dr. Warren: Thank you, Mr. Speaker. I want to correct the statement. I did not say \$30 million or more, I said \$30 million, maybe more, maybe less. I did say yesterday, and I said to the press after the sitting yesterday, that the Department of Education in these very difficult times is doing what every Department of Government is doing, assessing all the options.

We have not arrived at a specific figure. We are consulting. And I am pleased to confirm what the Premier said earlier. The people of this Province know these are very difficult times. I have been meeting with stakeholders in the area of Education in the last few days - in fact I had two meetings this morning - and I can assure you they understand the difficulty with which the Government is faced and they are prepared to sit down with this, and I intend to sit down with them in the next few weeks, to arrive at some resolution to the difficult problems. They will help us, I hope, arrive at some resolution to the difficult problems with which we are faced.

Mr. Speaker: The hon. the Leader

of the Opposition.

Mr. Rideout: Thank you, Mr. Speaker. For the benefit of the Minister of Education, who appears to have a very short memory, it was only yesterday that the Minister said, 'It may indeed be in excess of \$30 million.' That seems to me, in my unintelligent way, according to the Premier, to mean it might be more than \$30 million.

Now, Mr. Speaker, I have a supplementary for the Minister of Education. The Minister knows that across the board user fee increases is a very, very regressive move, it will harm those who are educationally and financially disadvantaged the most. I want to ask the Minister whether or not his Department has any plans to offset those regressive taxation measures by bringing in some special program to help those who are most disadvantaged.

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

Dr. Warren: Mr. Speaker, I repeat what I said earlier about the \$32 million. I said, 'It may. It could likely be in excess'. That does not say it will be \$30 million.

On the user fees, let me repeat what I said yesterday, Mr. Speaker. I said we were looking at three options. We are looking at program and service and personnel reductions as one of the options; we are looking at greater efficiencies in the system, and I am pleased to say that the response to that has been very encouraging. In fact, the response to the whole Williams Royal Commission initiative in

this Province has been most encouraging and people are saying yes, we have to look at greater efficiencies in the system, and we are going to pursue that.

And I indicated yesterday, Mr. Speaker, that a third option was being proposed by various groups. User fees is one of them. I also indicated yesterday that there are groups suggesting a variety of other means of raising revenues, and we will be examining these. But no decisions have been made on any of these matters. I want to consult over the next month, before the Government makes its final decision on these issues.

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

Mr. Rideout: Mr. Speaker, this Government has commissions coming out of its ears. Everywhere you turn, there is another commission.

Finally, let me ask the Minister this: Won't the Minister agree now that the Liberal Government has broken another one of its campaign promises, which was to do away with School Tax Authorities and fund education directly out of the general revenue of the Province. Hasn't the Government done another flip-flop now from the campaign and broken another campaign promise?

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

Dr. Warren: Mr. Speaker, I don't have the platform for the Liberal Party here before me, but I would like the hon. Leader of the Opposition to quote precisely once and for all what the platform of this Party said.

The Liberal Party of Newfoundland

and Labrador said, and I quote, 'That the -

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please!

Dr. Warren: - Party will either abolish or reform the school taxes'. We intend to do one of these two, and we will make our announcement in due course. Read it. Quote it.

Some Hon. Members: Hear, hear!

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

Mr. Windsor: Thank you, Mr. Speaker. A question for the hon. Premier. On May 4 of this year, Dr. House, the President of the Economic Recovery Commission, held a press briefing, which was essentially his report card on the activities of the Commission since its formation, and he outlined a great litany of projects that have been undertaken and funds that have been expended since the Commission came into place. If one looks at that very carefully, Mr. Speaker, you will find that these are all programs undertaken by the Newfoundland and Labrador Development Commission.

Will the Premier answer two questions, Mr. Speaker? First of all, how much has been spent to date by the Economic Recovery Commission? What has been the cost of that Commission? And would he tell us what accomplishments have there been that would not have taken place at any rate? In other words, programs that were ongoing with Newfoundland and Labrador Development Corporation at any rate. What new programs, in fact, have been initiated by the

Economic Recovery Commission?

Mr. Speaker: The hon. the Premier.

Premier Wells: Mr. Speaker, I cannot give all the details off the top of my head. What I will do is undertake to provide the details. I would say, based on the information I have, probably something in excess of 1,500 jobs have been created as a result of their efforts.

Some Hon. Members: Hear hear!

Some Hon. Members: Oh, oh!

An Hon. Member: Here, or in Ontario?

Premier Wells: It really bothers them. It really has then stirred to a cackling. It really has them stirred. Maybe the number is greater, or it might be a few less, but I would say somewhere approaching 1,500. But I will get the complete details. I can tell them, for example, just one instance. Without the Economic Recovery Commission and without the work the Economic Recovery Commission did to achieve it, that fish plant in Twillingate would not have operated - would not have operated!

Some Hon. Members: Oh, oh!

Premier Wells: And I believe there are 400 or 500 hundred people -

Some Hon. Members: Oh, oh!

Mr. Parsons: (Inaudible) the Minister of Fisheries?

Premier Wells: They really do not like the effort. The Minister had nothing personally to do with it. The Minister was not personally

involved. His Department -

Some Hon. Members: Oh, oh!

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

I find it very difficult to hear the Premier's answer and I expect others do as well. The hon. the Premier.

Premier Wells: I find it very difficult to hear myself, and my ear is only six inches from my mouth, or about that. Mr. Speaker, I appreciate your intervention to gain some order.

Mr. Speaker, I will get the precise numbers as to the cost of operating the Economic Recovery Commission. I will also provide in this House, hopefully some time next week - it will take a little while to get them to gather it together, but I will ask them to gather it together and I will get the precise numbers as to their cost of operation, and I will get the precise numbers as to the efforts they have had and the number of jobs that have been created through their efforts.

But I do know that it was virtually exclusively the efforts of the Economic Recovery Commission that saved those 400 or 500 jobs in Twillingate, and I will give them full credit for that. And there are probably as much as 1,000 more, but I will get the figures and provide the specific answers.

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

Mr. Windsor: Mr. Speaker, I congratulate the Premier. He puts Ronald Reagan to shame when it come to acting. Mr. Speaker, he

has confirmed what I have just said, indeed. And the problem with what he just said is that, indeed, Twillingate was saved. It should have been saved by the Member for Twillingate, who is the Minister of Fisheries, as were dozens of other fish plants before. Nothing exceptional was done by the Economic Recovery Commission.

Let me get on to my supplementary question, Mr. Speaker, before you take me to order, as you should. Mr. Speaker, I ask the Premier this. New Corp, it is a proposed new corporation announced in last year's Budget, which is, indeed, an amalgamation of the Newfoundland and Labrador Development Corporation and an emasculation of the Department of Development, taking all the authority from the Minister without Portfolio, the Minister of Development.

Now, Mr. Speaker, would the Premier tell us exactly what has been the cost of that amalgamation, of simply taking two Departments of Government and putting them together? And would he also tell us, since there has not yet been any legislation passed in this House, under what authority this new corporation is now operating?

Mr. Speaker: The hon. the Premier.

Premier Wells: Mr. Speaker, just so that I am not subsequently accused of acquiescing in the propositions put forward by the hon. Member, and without having to deny each one of them in detail - I will do that at a later date - I can say that there is virtually nothing very accurate in anything that he just said, but I will deal with the details later. I will

also get the cost of the new enterprise, Newfoundland and Labrador Development Corporation. And I can explain to him what was done, if he wants the answer now, if not I can leave it until a later date. As to the purpose of using NewCorp and why a portion of the Department of Development was put into that, and the efficiencies that were created and the extend to which it would vastly improve the ability to deliver service to our people, I can do that, but now is probably not the right time. It would take up too much time of Question Period.

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

Mr. Windsor: Mr. Speaker, that confirms also that if the economic development policy of this Province were left with the Minister of Development where it belongs instead of being under the hands of the dictator on the eighth floor, the Premier, I would be able to get the answers from the Minister which I cannot get from the dictator.

Would the Premier tell me, Mr. Speaker, is he aware that this New Corporation is, in fact, operating without any control? That spending is out of control in that Corporation? And I am also told, and would he check, obviously he has not got this answer either, will he tell us how much indeed over budget has this Corporation gone? Because I am told that offices all over this Province are acting without any central control, and that a tremendous number of commitments have been made well over and above the authorized spending authority of that Corporation, and is indeed this part of the problem we have

with the deficit in this Province today?

Mr. Matthews: About \$60 million, I say. About \$60 million over.

Mr. Speaker: The hon. the Premier.

Premier Wells: Mr. Speaker, the Corporation is not acting without authority. I am not the dictator. The Minister of Development is responsible -

An Hon. Member: (Inaudible).

Premier Wells: If somebody else wants to answer the question they can, but they will not get very much knowledge.

The Minister of Development is the Minister responsible and the Minister to whom the Corporation answers. The Corporation is, in fact, operating under the authority of The NLDC Act and it is that Corporation, NewCorp, as it was referred to for a period of time, Enterprise Newfoundland and Labrador is, in fact, the amalgam of Newfoundland and Labrador Development Corporation with a number of offices of the Department of Development included in it. They are operating under the authority of the Newfoundland and Labrador Development Corporation Act. We will be bringing shortly - next week the Minister tells me - legislation to the House to provide totally for this revised operation, but in the meantime they are operating under the statute and there is full and complete and tight controls on everything that is occurring.

I should also tell the House, Mr. Speaker, that we are taking steps now to deal with the financial mess that the policies of the former Administration caused for

that particular Corporation, and we will be detailing those proposals to the House in due course as well.

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

Mr. Windsor: Mr. Speaker, thank you.

A supplementary to the hon. Premier. I point to the Budget highlights of this year where it is outlined funding of \$2.1 million is provided for the continuation of the Economic Recovery Commission. And an additional \$1 million is included for the New Crown Corporation commonly known as NewCorp. Immediately below that it outlines an additional fifty-five hospital beds; an additional thirteen beds at Agnes Pratt; an additional thirty-three nursing positions and an additional thirty-two residential care positions. In view of the obvious economic disaster in this Province, the obvious failure of the Economic Recovery Commission, and the drastic cutbacks in funding for health care, will the Premier now deal with both of those items together and immediately eliminate the Economic Recovery Commission and his foolish NewCorp and put the responsibility back with the Minister where it belongs?

Some Hon. Members: Hear, hear!

Mr. Warren: The Minister wants his job back.

Mr. Speaker: The hon. the Premier.

Premier Wells: Mr. Speaker, the \$2.1 million is some \$900,000 less than we had originally estimated. We were thinking in terms of about \$3 million a year as everybody in

the House will remember. So when they asked for it, we cut them back to \$2.1 million. We may well have to provide them with more in order to do the job. The Economic Recovery Commission was never needed more than it is needed right now. It is the corporation that is going to save the taxpayers of this Province the millions of dollars that the former Administration's policies cost the taxpayers of this Province in wrongheaded management, wrongheaded planning, and wrongheaded development proposals that produced nothing but useless cucumbers, Mr. Speaker.

Some Hon. Members: Hear, hear!

Premier Wells: The Economic Recovery Commission has a specific mandate, Mr. Speaker, to lead us out of the doldrums of the prior seventeen years, which reduced our capability to merely being able to work in the fields of fisheries, newsprint, and minerals. Everything else was gradually and slowly disappearing under the former Administration. We did not pretend that we were any better at doing that job than the former Government. We did not claim to be any better, but what we did was we recognized our limitations. Unfortunately the former Government did not have enough sense to even recognize their limitations. We put in place the Economic Recovery Commission to carry out that particular program and therefore, Mr. Speaker, in answer to the particular question of the hon. Member, it would be stupidity in the extreme to think of cutting out the Economic Recovery Commission. It would put us back to the mess that the former Administration had this Province in, so we are going to retain the Commission, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please!

The hon. the Member for Humber East.

Ms Verge: Thank you, Mr. Speaker.

My question is for the Premier. Will the Premier reverse immediately the regressive October 1 social assistance cuts that slash the income of a thousand single parent families in the Province by up to 20 per cent of their total income? Will the Premier restore the incentive for social assistance recipients to seek court ordered maintenance and child support, and the incentive for absent parents to pay maintenance?

Mr. Speaker: The hon. the Premier.

Premier Wells: Mr. Speaker, the fundamental commitment of this Government is to fairness and balance for all of our citizens, wherever they are. To do what the hon. Member says - just stop and think about this, Mr. Speaker - would put us in a situation where a person, a single parent maybe receiving \$2000 a month support payments, could come and get support.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please!

The Premier has been asked a question. Every Member is entitled to silence and I please ask hon. Members to co-operate so the Premier can get on with the answer.

Premier Wells: Mr. Speaker, the Government of this Province is committed to treating all of its



citizens fairly, wherever they are and whatever their circumstances. We are going to treat people fairly so that people who are receiving social assistance receive it on the basis of need, and the need of everybody is to be measured equally. You are not deemed to have a lesser need or a greater need merely because of the colour of your eyes, your status, or whatever other rights you have. Whether you have income from one source, or another, or another, it is the same kind of income. Now I can appreciate the suggestion that there would be an incentive, or an increased incentive to seek it, but where a person is entitled to maintenance, the Government can see to it that steps are taken to enforce that maintenance. The hon. Member herself, when she was Minister of Justice, brought in legislation that provided for the enforcement of maintenance orders, and made particular provision for the enforcement of those maintenance orders, and facilitated that enforcement. If she will recall, when we were on the other side of the House in Opposition we supported the action she took at that time. I also recall her comments to the House at the time, that the purpose of bringing it in, Mr. Speaker, was to ensure that instead of placing this additional burden on taxpayers, the burden was placed where it ought to be, on the individuals who were ordered by the court to pay support for their children and for divorced spouses. So, Mr. Speaker, we think that is the right course of action, and we are prepared to do anything we reasonably can to create inducements to enforce maintenance orders, but we do not want to treat one class of persons differently from another.

Mr. Speaker: The hon. the Member for Humber East.

Ms Verge: Mr. Speaker, how can the Premier reconcile slashing the income of a single mother with three children from \$650 to \$550 a month when he, as Leader of the Opposition, could not get by on \$6,000 a month and had to have a \$4,000 a month salary supplement?

Some Hon. Members: Hear, hear!

Ms Verge: How does the Premier expect a single mother with three children to live properly on \$6,600 a year - now down from \$7,800 a year - when he had to have a \$50,000 a year salary supplement?

An Hon. Member: A good question.

Some Hon. Members: Hear, hear!

Mr. Speaker: The hon. the Premier.

Premier Wells: Thank you, Mr. Speaker.

Mr. Speaker, whatever we do, whatever we pay out or offer to our people as a Government we will not give to one group more because they happen to fall into a particular category, which the hon. Member wants to do. We are going to treat everybody fairly. Now I have not heard the hon. Member give up her tens of thousands of dollars salary to share with the single mothers of this Province.

Some Hon. Members: Hear, hear!

Premier Wells: Where is her offer to do it?

An Hon. Member: (Inaudible).

Mr. Speaker: Order, please!

Premier Wells: Mr. Speaker -

Mr. Speaker: Order, please! The Chair will rise again and ask hon. Members to my right to please afford the Premier the opportunity to answer, which he has a very short time left to do.

The hon. the Premier.

Premier Wells: Mr. Speaker, I did not have to run away from the practice of law to earn a living of the public purse. I earned a great deal more and could have earned a great deal more staying in the practice of law.

I came into public service because I felt I had something to offer and that I had an obligation. I have earned a good living in this Province over the years and I have an obligation to contribute back. And, Mr. Speaker, I gave up a great deal that I could have had in private life, unlike some people I did not go to the public service where I could get more, because I could not make it in private life.

Some Hon. Members: Hear, hear!

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

I have to inform hon. Members that Question Period has expired.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please!

Notices of Motion. Answers to questions for which Notice has been given.

Dr. Kitchen: A point of order, Mr. Speaker.

Mr. Speaker: A point of order.

The hon. the Minister of Finance.

Dr. Kitchen: You did not call Presenting Reports by Standing and Special Committees.

Mr. Speaker: Oh, I am sorry. The Chair, with permission of the House, will revert to a point that I have missed.

Presenting Reports by  
Standing and Special Committees

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

Dr. Kitchen: Mr. Speaker, as required under The Financial Administration Act, 1973, I have a number of special warrants to table. I have first a special warrant of \$1.6 million - \$400,000 net for the Cow Head offshore fabrication facility enhancement project, \$400,000 net cost-shared 75/25 under the offshore development fund.

In Education, Mr. Speaker, we have a special warrant of \$306,000 for the economic life skills project 100 per cent recoverable from the Federal/Provincial Youth Strategy Agreement, with an equivalent amount frozen in the Department of Employment and Labour Relations.

In the Department of Social Services we have a special warrant of \$3.5 million for the department's employment stimulation program.

For the legislature we have a special warrant of \$83,000 for the operation of the Ombudsman's office until December 31, 1990, and to provide for severance cost for two employees.

We have a special warrant in the Department of Development for \$2,062,500 for the offshore technology transfer fund, representing cash flow requirements under the agreement to pay the Hibernia consortium \$11 million to offset the extra cost of doing certain design engineering in the Province, and a further special warrant of \$16,625,000 - \$4,156,000 net to cover the Hibernia GBS fabrication site construction, cost shared 75/25 under the offshore development fund.

A special warrant for the Department of Fisheries of \$200,000 for costs arising from the receivership of Oceana Seafood Processing Limited. A special warrant of \$1,595,700 for lease and insurance payments on four leased middle distance vessels.

A further special warrant of \$1,200,000 for the Department of Forestry and Agriculture's silviculture projects within the employment stimulation program.

For Mines and Energy a special warrant of \$95 million under a 100 per cent recovery basis for the Hibernia initial engineering development and project management agreement.

In the Department of Justice three special warrants totalling \$979,500 for commissions of enquiry. Relative to the response of the Newfoundland Criminal Justice System to complaints, \$557,500. Delivery of programs and services in primary, elementary and secondary education, \$372,000.

And, finally, one for the erosion of the Newfoundland fishery by non-Newfoundland interests for

\$50,000. Thank you, Mr. Speaker.

Answers to Questions  
for which Notice has been Given

Mr. Speaker: The hon. the Minister of Works, Services and Transportation.

Mr. Gilbert: Mr. Speaker, yesterday the Member for Mount Pearl asked me a couple of questions and actually made some statements. I would like to give him the answers today.

Mr. Speaker: I believe that it might have been the Member for Kilbride.

Mr. Gilbert: Kilbride, was it? Kilbride or, you know, somebody over there.

Some Hon. Members: How many around here from Kilbride?

Mr. Tobin: A point of order, Mr. Speaker.

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

The hon. the Member for Burin - Placentia West.

Mr. Tobin: I would like to remind Your Honour and the Minister that my colleague from Mount Pearl was not present in the Chamber yesterday.

Mr. Speaker: That is not a point of order.

The hon. the Minister of Works, Services and Transportation.

Mr. Gilbert: They all look the same to me, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Gilbert: That is right. You are all lumped together there, every one of you.

Mr. Speaker: The hon. the Minister of Works, Services and Transportation.

Mr. Gilbert: Now, Mr. Speaker, the first thing in the Member's question I told him I would get an answer for. He talked about the blunder this Provincial Minister made. I would like to tell him that this was a mistake by provincial civil servants or employees of this Department. I suppose in some ways, after working with the previous Administration for seventeen years and having inherited the policies of them, you would have to expect that we would have this sort of thing happening. But we will straighten it out. As I said, we have now corrected this.

Now, the first misconception in his question or statement was that he talked about the shortfall. The Federal Government's share of this is \$825,500, which he said the Federal Government were not going to pay. Well, so far what we have is the Federal civil servant who is here in the Province said he did not expect they would pay. But we have written the Federal Government, on September 7, making the case that the Federal share should be based on the total contract and, of course, we are expecting a favourable reply. The other thing he indicated was that the Province somehow or another was going to lose \$825,500. But this is not the case, you see. Because in the global budget there is \$825,000 which will be picked up and spent on another project if it is not on

this one. So again, misconception.

The next thing he talked about was a \$250,000 difference in the contract price in the work under the -

Some Hon. Members: Oh, oh!

Mr. Gilbert: Mr. Speaker, I ask for protection, Sir.

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

The Chair is having some great difficulty following and it is -

Some Hon. Members: Oh, oh!

Mr. Gilbert: One of the other things the -

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

The Chair is having difficulty following because there is a lot of noise. The Chair is also trying to get the questions that were asked so that we can follow the answers. So I would ask the Minister to please try and pursue the answers quickly, and I remind hon. Ministers, too, that we should not take undue time in answering these questions.

The hon. the Minister.

Mr. Gilbert: Mr. Speaker, I am trying to answer the questions that were asked yesterday about the Province having a shortfall of \$825,000 which we are going to pay and I am pointing out that, no we will not. The other statement that was made by the Member over there was that the Province only changed the tender by \$250,000 and consequently we lost that. I point out that actually the tender was changed, by our estimate, by

\$20,000. So again a misconception was put forward, in that he was saying we lost another \$250,000 when we have not. Again, misconception on the part of Members opposite. That is the answer Mr. Speaker.

#### Petitions

Mr. Speaker: The hon. the Member for Humber East.

Ms Verge: Mr. Speaker, I rise to present a petition of women living in various communities around the province, Women living in North West River, Happy Valley, Lodge Bay, Stephenville, Corner Brook, Marystown, Heart's Delight, Cavendish, St. Mary's, and Topsail, Paradise, Mount Pearl and St. John's.

The petitioners are urging the Government of Newfoundland and Labrador to reverse its change of policy and to continue to permit social assistance recipients to retain a substantial portion of maintenance and child support payments as well as regular social assistance.

Mr. Speaker, yesterday I presented the same petition of other residents of the Province. The Minister of Social Services, responding to the petition and defending the regressive social assistance cut that is hurting 1,000 single parent families in the Province, said that he and the Government are aiming to help social assistance recipients get off welfare. He talked about progressive ideas to encourage and support social assistance recipients getting into the paid work force and relieving their dependency on the state.

Mr. Speaker I would like to tell the Minister of Social Services and other Members of the House about a call I had last evening. It was from a single mother with three children. She left an abusive husband. She had been out of the paid work force, at home caring for her three children full time for 11 years, so when her marriage ended, she could not get back into the paid work force instantly and had to go on social assistance. She is one of the lucky ones. She is getting \$330 a month from her ex-husband, that is \$110 a month for each of the three children. Before October 1 she got the same social assistance as others in that predicament, and in total had a monthly income of \$638.

Since October 1st, that income has been cut by ninety dollars. She had no warning whatsoever, the cut came right out of the blue. The first she knew of it was when she got her early October cheque and read an enclosed form letter saying that in future, maintenance and child support are classified as unearned non-allowable income.

Now, Mr. Speaker, this woman has a couple of years of university education and is eager now to get a paying job. She has been trying to get a job since she had to turn to social assistance. She found out recently that there is a social services sponsor community development project affording employment as a secretarial helper in a school.

The Social Services Department lined up an interview for her for that job. She was quite excited, but yesterday, the day before she was due to be interviewed, Social Services contacted her and said, Sorry, more than half your income comes from maintenance and child

support, you do not qualify. Community development projects are only available for social assistance recipients who get more than half their income from social assistance.

I would like the Minister, when he rises today, to respond to that situation and I would like him to inform the Premier that before October 1st social assistance recipients could only get the benefit of a maximum of \$115 a month from maintenance and child support; there was a sliding scale formula requiring deduction for income from maintenance, the same as income from a paying job. That formula provided an incentive for people on social assistance seeking court orders for child support, it provided an incentive for absent parents and spouses for paying the child support.

The current formula, which allows on a sliding scale basis social assistance recipients to benefit from paid employment, allows people to keep up to \$115 a month and, therefore, provides at least a little bit of incentive for social assistance recipients to get a job. It is not enough incentive, for when you think about it, how easy is it for a single mother to get child care and transportation between home and the job?

Mr. Speaker: Order, please!

The hon. member's time is up.

Ms Verge: Thank you, Mr. Speaker.

Mr. Speaker: The hon. the Member for Port au Port.

Ms Verge: Isn't it the Minister?

Mr. Speaker: The Chair will not

delay but will go on to other petitions.

The hon. the Minister of Social Services.

Mr. Efford: Mr. Speaker, the reason I did not stand earlier, is because I saw the hon. the Member for Port au Port standing.

Mr. Speaker: Order, please!

The Chair wants to remind hon. members that in this process, the Chair is not going to wait for any delay. We have gotten into problems before, and we are not going to be waiting for hon. members to speak. When the Chair looks and there is not an hon. member, we will go to further petitions and on to the next order of business.

The hon. the Minister of Social Services.

Mr. Efford: Thank you, Mr. Speaker. I want to draw attention to some of the statements the hon. Member for Humber East has made about the recent cutback in the maintenance support income for single parents.

I can tell you one thing, that the hon. Member for Humber East is spending an awful lot of time on the telephone persuading, in a very forceful manner, people to sign the petitions and people to call in to make complaints. In fact, she has even tried to encourage a number of people to form a march on Confederation Building, but they told her very clearly that they did not want to participate in any sort of march because they don't agree with the statements the hon. the Member for Humber East is making.

First of all, we are placed and the single parents are placed in this position today, not because of the actions of this Government, but because of the actions of the former Government.

We inherited a mess in this Province of seventeen years of going farther and farther and farther in debt and there was absolutely no way to recover except to take measures in cutting and putting restraints in place in the Province and a control on spending, which the people of this Province have to suffer, and it is not only the single parents of this Province who have to suffer this. It is the fault of seventeen years of mismanagement, and as a former Minister she has to take the full responsibility for those years while she was in Government. Now, as Minister, I do not want to encourage anybody in this Province to stay on social assistance, because it is not enough to survive on. The \$500 a month that any average family, or any single parent with two or three children would receive, is nothing only starvation. There has to be a better way of giving a decent income to people other than social assistance. Social assistance is only something to help people in the short-term, and not something to keep them on indefinitely, like the former Government did, for seventeen years, and now still encourages them to stay on social assistance. Give people an opportunity to get employed, give people an opportunity to get into the work force.

Mr. Speaker: Order, please!

I again just want to remind hon Members that when a Member is speaking to a petition they only

have five minutes. The hon. Member for Humber East, I think, was given that five minutes without any interruptions, or very few. The Speaker was out of the Chair for a brief period. In view of the shortness of time I ask hon. Members to please remember that it is only five minutes and any interference cuts in on the time of the answer.

The hon. the Minister.

Mr. Efford: Thank you, Mr. Speaker. I appreciate the concern. The hon. Members know very well that they were at fault in the former Administration, especially the former Minister of Social Services who just left. The way in which he managed that Department, and the mess I inherited - how things were mismanaged, I should say - and now I have to try and correct them. It is absolutely unbelievable. The Member for Humber East has to realize one thing, we now have programs, and are putting programs in place that are going to give beneficial results to single parents. We are not going to encourage people to go with their hands out on a monthly basis, or every two weeks, asking the Department of Social Services to pay out money, when we know full well it is not sufficient enough to buy even the essentials, the groceries to put on the table. It is much better to offer them a job, and we are doing that, offering them jobs so they can get into the work force and become employed and earn, a minimum right now on the Community Development Program of \$220 a week, and still receive their maintenance income, then if they are not successful in getting a full-time job, at least it is a temporary job to get them off something that is regressive,

social assistance. Now there are extreme cases like the hon. Member mentioned, about an individual who must earn 75 per cent or more and they cannot get on a Community Development Program. That was a Tory policy. You brought that in in 1972 and in 1974 when you brought in the Community Development. We are restructuring the Community Development Program. We are taking a complete new direction for the future. We have already brought in one this year which will take 300 people on a pilot project across the Island who are lacking basic life skills and do not know how to manage their own day to day needs, and their day to day affairs. We are taking these people now and putting them into basic training of how to manage and prepare themselves to survive on a day to day basis with the measly amount that the former Administration handed out to them. We are changing the direction, but I inherited a mess and it is going to take a while to clean it up. Now, that is the problem we are dealing with.

Mr. Speaker: Order, please!

Mr. Efford: We have 20,000 people depending on social assistance.

Mr. Speaker: Order, please! The hon. Minister's time is up.

Mr. Efford: But in a few years down the road that will be a great deal less.

Mr. Speaker: Order, please!

I remind the hon. Minister that I had, probably half a dozen times, asked for order. I know the Minister was in oratorical flight. I ask you to try and keep your ears open so you can hear the

Speaker, and when the Speaker says, order, to immediately stop speaking and sit down.

Mr. Efford: I apologize, Mr. Speaker.

Mr. Speaker: Time is up.

The hon. the Member for Port au Port.

Mr. Hodder: Mr. Speaker, first of all I would just like to talk about some of the comments the Minister made. He accused the Member for Humber East of somehow having something to do with these petitions. Well I should tell him that these petitions came from the Provincial Women's Conference which was held here last weekend and were done completely on their own and with no urging from any Member on this side of the House. Now, that is one point, Mr. Speaker. The Minister in his last comment spoke about the things they were trying to do for mothers and small children and people in this situation. I should ask the Minister why he cut this money off without any warning whatsoever, when these programs, these mythical programs which the Minister is talking about, are not in place? His Community Development Projects are such great projects, we have just seen \$3.5 million used for cutting brush along the side of the road. So it is all a farce, Mr. Speaker, nothing has happened. Things have regressed instead of progressed as far as community development projects are concerned, or anything that can help a single mother.

Now, Mr. Speaker, the first time this issue came up the Minister of Justice blamed it on the Federal Government. Now they are blaming



it on this Government. The Premier when he spoke today talked something about a woman who is getting \$2,000 in maintenance payments. Now I do not understand how that can relate at all. But I would like to tell the Premier something since he is in his seat, because he probably does not understand what the Minister of Social Services has done. But, Mr. Speaker, I will give the same example that I gave here the other day. If you have, for instance, a husband and wife and two or three children, either one of the spouses is allowed an allowable income of over \$100, and that is still in existence. But if for instance the husband leaves, and then you have a wife and two or three small children - and we do not have day care in the rural areas of this Province, we do not have day care adequately in this city - that when that spouse moves away he can still work, he can still draw UIC. Now what is the difference, the allowable income that he makes when he is separated from the family or she is separated from the family, and the allowable income which the family gets, the earned income when they are together. What you are doing, Mr. Speaker, is you are penalizing them when the group speaks up.

Mr. Efford: You don't know what you are talking about.

Mr. Hodder: I am sure you don't know what I am talking about.

Mr. Speaker, I do not think the Minister is aware of what happens. Now, Mr. Speaker, would Members on that side be quiet so I can finish what I have to say? If you have a mother and two children in a separated family at the present time -

Mr. Efford: Working?

Mr. Hodder: No, I am talking about a mother with three small children. Now she cannot get social assistance until such time as she has gone to the judge and gets a court order. She goes to the judge to get a court order. She cannot get a court order, she cannot get a lawyer firstly, because Legal Aid no longer, or in very rare cases will represent women in this particular situation in the Province, because of the lack of money with Legal Aid. So, Mr. Speaker, very often she will upset her own case and the person gets away scot-free anyhow. But, Mr. Speaker, why should she do that? What incentive is there for her to do that now?

The other thing, Mr. Speaker, is that \$100 which she gets and which the Minister is now taking from her. Now if that is not forthcoming from the absent spouse -

Mr. Efford: Put her to work.

Mr. Hodder: Put her to work, is that what the Minister is saying? Put her to work? What are we going to do with the children? Can the Minister tell me what we are going to do with the children?

Mr. Efford: Day care.

Mr. Hodder: Day care. Mr. Speaker, can the Minister tell me if we have day care in every community in this Province? I know in the District of Port au Port we have some twenty-six communities, there is no day care in Port au Port, Mr. Speaker. There are an awful lot of mothers who are in this situation. And when the Minister, Mr. Speaker, gets up and accuses a Member on

this side of the House of manufacturing this issue, I wish the Minister would read some of the weekly papers, perhaps he should take some time and read where people are speaking out in the weekly papers and on the open line shows - a full page in The Georgian, the week before last.

Mr. Speaker, I do not know what a mother with three small children is going to do in an area which has 18 per cent unemployment. Here we are in a Province with 18 per cent unemployment, and, Mr. Speaker, I agree with the Minister, I would like to see a situation in this Province where there is no social assistance, no unemployment insurance or anything else. But the truth of the matter, Mr. Speaker, is that we have 18 per cent unemployment and what the Minister has done; he has discriminated against the weakest and poorest people in our society.

Some Hon. Members: Hear, hear!

#### Orders of the Day

Mr. Baker: Motions 4 to 12, Mr. Speaker.

The hon. the Minister of Works, Services and Transportation to introduce a Bill, "An Act To Amend The Highway Traffic Act, 1988 (No. 2)," carried. (Bill No. 65).

Motion, the hon. the Minister of Health to introduce a Bill, "An Act To Amend The Western Memorial Hospital Corporation Act, 1947", carried. (Bill No. 64).

Motion, the hon. the Minister of Health to introduce a Bill, "An Act Respecting Chiropractors", carried. (Bill No. 60).

Motion, the hon. the Minister of Municipal and Provincial Affairs to introduce a Bill, "An Act To Amend The Principal Agreement Ratified By The Avalon Telephone Company Act, 1938", carried. (Bill No. 54).

Motion, the hon. the Minister of Employment and Labour Relations to introduce a Bill, "An Act To Amend The Buildings Accessibility Act, 1981", carried. (Bill No. 55).

Motion, the hon. the Minister of Employment and Labour Relations to introduce a Bill, "An Act To Amend The Occupational Health And Safety Act", carried. (Bill No. 59).

Motion, the hon. the Minister for Employment and Labour Relations to introduce a Bill, "An Act To Amend The Amusement Rides Act", carried. (Bill No. 58).

Motion, the hon. the Minister of Justice to introduce a Bill, "An Act To Amend The Evidence Act", carried. (Bill No. 62).

Motion, the hon. the Minister of Justice to introduce a Bill, "An Act To Amend The Summary Proceedings Act", carried. (Bill No. 63).

On motion, Bill Nos. 65, 64, 60, 54, 55, 59, 58, 62, 63 read a first time, ordered read a second time on tomorrow.

On motion, second reading of a Bill, "An Act To Amend Certain Legislation Respecting Offshore Development", (Bill No. 61).

The hon. the Minister of Mines and Energy.

Dr. Gibbons: Thank you, Mr. Speaker. It is my pleasure to stand today and introduce this

very minor Bill, Bill No. 61. This is the last legislative action that we require now for the implementation of the Hibernia agreement. There are five parts to this bill. We are amending five statutes with some minor corrections.

Part I of this bill, clauses 2 through 4. This part is due to some amendments of Bill C-44 in the Parliament of Canada, which is still in the Parliament of Canada, but is also, I believe, being debated in the Senate today. At least that is what I was told yesterday, that it would be on the agenda of the Senate today.

There are three minor amendments necessary as a result of negotiations over the summer and amendments changed in the House of Parliament. The amendment to Section 97 (1) (k) would correct the misplacement of the word "that," so it is a very minor amendment.

The amendment to section 99.1 would insure that the language of Section 99.1 enacted by this Assembly during the Spring session is the same as Section 104.1 of the Federal Act.

Section 102 would add a reference to a share in a production license after the word production license, because in the case of Hibernia we are dealing with four partners, and each has a share in the production license.

So these are very minor amendments associated with the same amendments in Bill C-44 of the Parliament of Canada.

Part II, clause 5 of this Bill, would amend The Crown Royalties Act by specifically exempting the

Hibernia Development Royalty Agreement. The Crown Royalties Act is something that is rather ancient in our legislation and we are exempting the Hibernia agreement from that because the Hibernia Agreement is done under the Department of Mines and Energy Act and not under The Crown Royalties Act.

Part III, clause 6, would amend Section 6 of the Department of Mines and Energy Act 1989 by including a specific reference to royalties under the Minister's powers, functions and duties. And clause 7 would add to Section 11 an evidentiary provision respecting documents inspected, examined, obtained or provided under or in accordance with this agreement. These are matters of a legal nature because normally in a court of law you have to have original documents and that particular clause allows the use of particularly annotated copies of the original documents.

Part IV deals with The Petroleum And Natural Gas Act, Part IV deals with The Petroleum and Natural Gas Act. In particular, Clause 8 of part IV would clarify the law so that Section 10 of The Petroleum and Natural Gas Act would not apply to a lease issued under the Act before April 1st, 1990; specifically it would not apply to the lease for Hibernia, and this is because the agreement on royalties relative to Hibernia is more onerous than Section 10 of the present Petroleum and Natural Gas Act.

In that particular Section, for example, interest is to be paid at the rate of 6 per cent per annum, whereas in the Hibernia Royalty Agreement interest is to be paid at this rate initially, but also

provides that a penalty interest rate can be invoked by the Province on fifteen days notice at the rate of double prime. So our Agreement is more onerous than the present Section 10 of The Petroleum Natural Gas Act for Hibernia.

Clause 9 would recast Section 24 of The Petroleum and Natural Gas Act so that the references to a percentage of net profit on incremental royalties would be deleted from that Section.

Right now, again Section 24 of The Petroleum and Natural Gas Act has net profit used as the basis for calculation of incremental royalties and by deleting this reference we are widening the base - widening the base - so that the result is that the base upon which the Minister may impose royalty by regulation in the Hibernia case is enlarged, broader than net profit alone.

As well, Clause 10 enlarges the regulatory making power under Section 30 of the Act by re-inforcing this expansion of the Minister's power beyond the net profit base for a royalty base for Hibernia.

Clause 11 would provide that part IV of this Bill would come into force on September 14th. As we all know, September 14th was the day the Hibernia agreement was signed.

Part V: Again some very minor amendments to The Retail Sales Tax Act.

One is in a minor modification of the definition of 'joint account' relating to the royalty agreement as negotiated, specifying what joint account is, and also in the

royalty agreement relating to the fact that now the agreement is going to be under the Department of Mines and Energy Act, 1989, and not under The Petroleum and Natural Gas Act.

Mr. Speaker, that covers what I have to say in introducing this Bill 61, minor amendments to various statutes to finalize things we need to do in the Provincial Legislature to allow the final signing of the Hibernia agreement which we would anticipate to be done sometime over the next few weeks. Thank you very much, Mr. Speaker.

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

Mr. Hewlett: Thank you, Mr. Speaker. First of all I would like to thank the Minister for making an advance copy of the Bill available to our technical staff in the Opposition office for study before this came before the House.

Having sat here during Question Period and Petitions, Mr. Speaker, there are times when one regrets being the critic in a resource area at this particular time in politics, after having witnessed the antics of John Antoinette and his let-them-eat-cake attitude. Nonetheless, Mr. Speaker, I will make a few comments with regard to Hibernia.

The amendments the Minister brought in in this piece of Legislation are, for the most part, technical, legal or improvements on wording and so on and so forth, so our Party has no problem with these and we will be supporting the legislation.

One item in the legislation refers to it coming into force on

September 14, 1990. Right now there are a host of agreements in escrow awaiting passage of this legislation and legislation in the Parliament of Canada, and I think there is an onus on the Provincial Crown when the thing comes fully into effect that these agreements, to what ever extent it is legally possible, be released so that the Opposition and the public in general will have a chance to study these things in detail and to ascertain just how good the agreement actually is in detailed legal text.

Mr. Speaker, the very fact that this Minister can bring in this piece of legislation is due to the former Administration the Minister of Social Services spoke of so disparagingly just a little while ago.

When oil was discovered on the Grand Banks some years ago, there was a dispute on between the Provincial Crown and the Federal Crown as to just who had ownership and jurisdiction of this very valuable natural resource. Mr. Trudeau was Prime Minister of the nation at the time; Mr. Peckford was Premier of the province. A political struggle ensued that carried on for a number of years, eventually ending up in the Supreme Court of Canada. The Supreme Court ruled at the time that the offshore jurisdiction lay with the Federal Government in Ottawa.

It is rather ironic that the Premier of the Province today, the leader of the governing party, at that particular time, was, I suppose, a philosophical disciple of Prime Minister Trudeau and also acted as his lawyer in helping the Federal Government put its case before the Court.

So we have an administration led by a Premier who ordinarily should not be in agreement with this sort of project going ahead under the terms and conditions it is going ahead under. We have noticed in the media accounts of the Premier's reaction to the Hibernia agreement that he has a varying reaction, depending on his audience, depending on his mood, the time of day, etc. He tells one audience Hibernia is good for them, for another audience he sort of downplays it. He sort of has a split personality on the whole issue of whether or not Hibernia is good for us. That schizoid sort of behaviour with regard to this project I think stems from the philosophical matter I mentioned earlier.

The Premier is a philosophical disciple of Mr. Trudeau. In principle he was against the Province of Newfoundland obtaining real, hard-core jurisdiction over the offshore. He was against that. So now he has an agreement, the only major economic development on the horizon at present, which is desperately needed because their management of the economy has led us to absolutely nothing. So we have an agreement that he desperately needs, but philosophically he has real problems with the actual existence of the agreement and the existence of this project as it is currently laid out.

So, the Premier blows sort of hot and cold with regard to the Hibernia project. It sort of reminds one of someone with a pet porcupine. Wishing to show affection to one's porcupine, one has a tendency to embrace it but the embrace has a tendency to be rather tentative because of the prickly nature of the situation.

So the Premier kind of regards Hibernia as a porcupine project and he is reluctant. Even though he needs to embrace it politically, philosophically I think he is reluctant to embrace it, and I think this explains some of the changes in attitude on the Hibernia project from day to day.

Further evidence that his heart is not in this, Mr. Speaker, was the fact that there was a monitoring committee with regard to the Hibernia project in place by the previous Administration. Recently the Government announced they put a committee in place, which basically told us that the other committee had lapsed, that they really did not have their heart in the particular agreement, or they did not have any faith that one would eventually be reached. So we lost valuable planning time because the Government, as I said, its heart was not in it but desperation for economic development forced them to go along with this.

Philosophically, if Mr. Wells had been Premier 10 years ago, when all of this started, if he had been Premier at about the time we got the Atlantic Accord, Mr. Wells would have done what Mr. Buchanan did in Nova Scotia, Mr. Wells would have signed a Nova Scotia type agreement, an agreement which gave Ottawa all power over the offshore, which gave us some money that Ottawa would dole out, money which would be capped. And if he had been Premier at the time, maybe the Senate would be a good place for him now.

So, Mr Speaker, the Liberal Party at the time were not in power, thank heavens, because they were in concert with Mr. Trudeau, they were in concert the Government of

Nova Scotia, they urged us to sign a Trudeau/Chretien agreement which would give absolutely no power to this Province and a paltry sum of money.

The very fact that the Minister of Energy can stand in his place in this House today and talk about royalties with regard to Hibernia is very significant. Royalties are a provincial levy. The Prairie Provinces levy royalties on their own oil and gas products. Under a Trudeau/Chretien type arrangement, a province would not have royalties, it would get more equalization payments, more welfare from Ottawa, and those welfare payments were to be tapped. If, for instance, the price of oil went to \$50 a barrel tomorrow and Hibernia was in production, we would get a lot of money out of the royalty scheme, because there is no tap like the Liberals were offering, like the Provincial Liberals at the time were only too willing to accept, like the Provincial PCs in Nova Scotia kept. But they were nervous about what they kept, because they put a little tag on the end of the Nova Scotia agreement saying, 'If Brian Peckford does better, we want it too.'

So, Mr. Speaker, thank God the Liberals were not in power in the 1980s or we would not be having a Hibernia project of type and nature we have right now to talk about at all.

With regard to industrial benefits, Mr. Speaker, the day of the Hibernia signing, I believe, was a great day for the Province. I remember calling both of the Open Line Shows and the host on one particular show said, You must

feel particularly good today that this agreement is going ahead?' I said, Yes, I was. It was a good day for the Province. He said, it must be sort of galling that it is going ahead now when you are in Opposition after you put a good part of your own life working for Brian Peckford into this sort of thing. I said, it is too good a day for us to be like that. In a project of this nature, this good for the Province, there is glory enough for all. The statements issued by the hon. minister and the Premier in the provincial press kit -

An Hon. Member: Does he still have a bodyguard, or did he quit all that?

Mr. Tobin: You might need a bodyguard if you keep putting the sick on the path, the sick and the suffering.

Mr. Hewlett: The statements in the press kit, Mr. Speaker, were all glowing and very general and very positive. A few months ago, Mr. Speaker, the Administration floated in the local newspapers the concept that they were going to get the accommodations module, which was the largest and heaviest module of the five super modules in the Hibernia platform. When questioned in the House, the minister was very coy, he would not confirm or deny that they were seeking this particular module. I could not get any information, but he did not deny that they were looking for it. So expectation was generated in the body politic of the Province that that particular large module would be coming to the Province.

When I got the Federal press kit, somewhere buried in one of the background papers was a reference

to the super module that the Province got, which was the lightest super module of the five, going on the top sides of the concrete platform. So the very fact that the Provincial Government made no mention of the super module concept in their press kit tells me they felt that somehow they had raised expectation relatively high with regard to the industrial benefits, were not proud of what they achieved and did not boast about it.

Because what kind of a politician in a project of this magnitude, if he has done something really good, really exceptional, would not put it in his press kit? So the absence of reference to the super module in the Provincial press kit was absolutely startling. And up to literally a few days ago I met people in this Province who still believe that we have the accommodations super module. Because the minister said nothing, they assumed it was a given.

I do hope the super module we have is better for the Province's oil industry from the point of view of technology transfer, because the other super module would have been essentially a glorified hotel. It would, however, probably produce a lot more work in man hours, person-hours, but it is not the type of module that would give us the maximum industrial transfer. So hopefully the smallest module, which is the one we got, will be good for us from the point of view of technology transfers.

Mr. Tobin: No, we are not like you. (Inaudible).

Mr. Speaker: Order, please!

I have been noticing for the past

couple of minutes irrelevant conversation going on across the floor. I do want to listen to the hon. member. He has not asked for order, but I know that if I were speaking I would find it distracting. The hon. the Member for Green Bay.

Mr. Hewlett: Thank you, Mr. Speaker.

I mentioned earlier that had the Liberals been in power in the 1980s we would not be talking about royalties, we would have been talking about possible additional gifts from Ottawa, coming from our offshore oil. So there was a new principle established through the Atlantic Accord, and negotiated by the PC Administration, that we had a right - a right - to royalties, a right which, if you follow through on all the steps of the Atlantic Accord process, will be enshrined in the Constitution of Canada.

Now, the Premier on a number of occasions has made disparaging remarks about the royalty scheme. On the days when he thinks Hibernia is not a good project, he often blames the royalty scheme. Yet the hon. Minister just stood and said that the royalty scheme in the current agreement is more onerous than our general law applying to such matters and applies to a wider basis than would ordinarily be the case. So, Mr. Speaker, you have the Minister talking about a royalty scheme which is more onerous, more beneficial to the Province, and you have the Premier indicating that the royalty scheme is inadequate. Again a sort of schizoid approach to this particular project, Mr. Speaker.

And the other thing the Premier

points out is that we will lose practically dollar for dollar equalization with regard to royalties. That is not altogether the case, Mr. Speaker. It depends entirely, Mr. Speaker, on what the price of oil is when the production is taking place. If in a given year we get \$1 billion in equalization and, say, it is a crisis time in the Middle East, or something or another, and oil is at \$50 a barrel, if in that particular year we hauled in \$500 million in royalties, we, in the subsequent year, would only have our equalization drop to \$900 million. But that would mean we would pick up. If we had \$500 million in royalties, we would pick up \$400 million. The equalization payments for the twelve years of this agreement can only drop 10 per cent from one year to the next. The equalization payments are just like a set of stairs, they go down 10 per cent year by year by year. The amount of royalty you get depends entirely on the price of oil. And if you have an inflated oil price at the time, we can rake in barrels of cash.

With the current pricing scheme for oil, before this particular Middle East crisis, we probably would not have seen this project go ahead at all without nearly \$3 billion in Federal subsidies. From that terrible Federal Government you people have so much problem with, if they had not had a massive subsidy into this particular project, it would not go ahead at all.

Mr. Flight: There was no (inaudible) equalization in Jean Chretien's offer until we became a have Province.

Mr. Hewlett: Mr. Chretien's offer



had a cap on the kinds of money we could get from the offshore oil - a cap! Our royalty scheme under this, there is no cap.

Mr. Flight: Equalization wasn't affected until Newfoundland became a have province.

Mr. Hewlett: You cannot only define have province in terms of equalization, I would say to the hon. Minister. His own Premier has indicated that if we just replace our equalization with royalties, that will not make us a have Province. So Mr. Chretien's definition of a have Province is irrelevant.

And another point, some people have made comments locally. I know people in the New Democratic Party have made comments about Hibernia oil not being available for the -

An Hon. Member: Who?

Mr. Hewlett: In the New Democratic Party.

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

There are a number of conversations going on in the Chamber and the Chair cannot hear what is being said. I would ask hon. members if they would refrain from conversation. If it is necessary, then they can find an appropriate place to do it.

Mr. Hewlett: Thank you, Mr. Speaker. As I indicated, there has been some commentary that Hibernia oil would not be processed at Come By Chance. But there is a clause in The Atlantic Accord Implementation Act which is, in cases of emergency, the provincial Minister in this

particular Province has a right to order the Hibernia oil to be processed in that refinery. Another good clause put in by a PC Government, the former Administration, whatever that means.

The hon. Minister mentioned this afternoon when the House opened that he is going to monitor and, if necessary, regulate oil prices. For that I commend him. But I would be remiss if I did not point out that the Government has an obligation to regulate electrical prices and what the Government has done on electrical prices is essentially restructure the Public Utilities Board in a way that is extremely favorable to the large power utilities. So we are going to have to watch with a very keen eye any kind of a regulatory system put in with regard to oil prices, because this is a big business Government, this is a Board of Trade Government. This Government is not going to look out for the little guy, this Government is going to look out for the big companies; oil companies, power companies, it does not matter. So, Mr. Speaker, when there is a regulatory scheme put in, we sincerely hope it is far better than the current one under the Public Utilities Board, which basically plays into the hands of big companies, with batteries of lawyers, and really socks it to the ordinary consumer of electricity.

The other thing, Mr. Speaker, I had the pleasure to make a comment on to a couple of radio stations this morning, was the business of job creation in Hibernia. Hibernia in a given year will probably create 2,000 to 3,000 jobs, but, unfortunately, before Hibernia comes on stream, all the

good that it will do in terms of job creation will be wiped out by this Government.

What are ordinarily solid civil service jobs, people probably hired from the time they are 20 until they are 65 and they retire on a Government pension, those kinds of jobs which are indispensable in a poor society like ours, this Government is going to eliminate 2,000 or 3,000 of those jobs over the next few weeks. So all the jobs from Hibernia will just fill a hole created by this particular Government, Mr. Speaker.

And there is one other point to which I draw the Minister's attention, and it has to do as well with the jobs on the Hibernia project. The Minister should indeed, with his committee of senior civil servants, monitor the local employment situation, especially in the environs of the project itself. I had the experience this summer, in a number of water and sewer projects around my district -

An Hon. Member: (Inaudible).

Mr. Hewlett: - small contractors, yes. I got four lovely projects, thank you very much. I appreciate Mr. Gullage's generosity.

An Hon. Member: Fairness and balance.

Mr. Hewlett: Fairness and balance, right on! But the water and sewer projects were being done in hard times and locals were desperate for work, desperate to get their stamps. With Hibernia coming, small contractors are also desperate to hold on to their key workers, their foremen and their key technical workers, so as a

result small contractors were bringing more of their own staff into communities than would ordinarily be the case and that caused tremendous resentment, and on a couple of occasions almost caused a roadblock. The Government would be well advised to pay close attention to the environs of the actual physical site of that particular project, because there is nothing more galling than people living in a community watching people from elsewhere in the Province go to work when they can't go to work because they do not have membership in a particular union or whatever.

I realize this is a union project and there is a labour peace agreement, and that is all to the good, but Government, I think, will have a responsibility to mitigate any shortfall, any bad feelings in the immediate area of the project by those who may not be able to get employment on the project because they are not members of the appropriate unions for the project. And that could be a sensitive issue and it is certainly one I commend the Minister to monitor on an ongoing basis.

So, Mr. Speaker, we support these clauses, these changes in the offshore legislation. We are proud that because we were in office we have the right to pass Bills in this Provincial Parliament dealing with our right to raise royalties, our right to manage offshore resources. Had the opposite party been in power when all this stuff was going on, Ottawa would be running the show; we might have got some increased welfare, but that is about it. Thank you, Mr. Speaker.

Mr. Speaker: The hon. the Minister of Mines and Energy. If he speaks now, he will close debate.

Dr. Gibbons: Thank you, Mr. Speaker. I thank my Opposition critic for his comments in support of this Bill. The point he made on the agreements in escrow, and there are many dozens, we have already said that whatever of those can be released will be released after the agreement is signed because we too want the public to know the details, where that is possible. So anything that is not proprietary because of the nature of the agreements we would certainly like to make available.

The Member made some comments on royalties and equalization, etc. I am not going to get into that debate today, but at an appropriate time I will make some figures available on the royalties and on the equalization offset for various prices so that we will all know the details.

On industrial benefits, likewise we have not gotten into a lot of public debate on what was in the various packages we negotiated, but at this time I am quite pleased with the package that we have negotiated and it will be good for Newfoundland and Newfoundlanders who are going to be employed on the project.

As the hon. member said, there is glory enough for all in the Hibernia project and it is going to be very positive for this Province. Hibernia jobs: Yes, we are cognizant of the concerns in the local area and we are going to be monitoring it very closely. But for any job on Hibernia qualifications have to come first,

whether you are a union member or not. And if anyone wants to get a job on any aspect of Hibernia, it is in their interest to go now and get the appropriate qualifications and be ready. Because the initial jobs are going to be in the basic construction phases, but the good jobs, the high tech jobs are going to be two years down the road, for the most part. So I encourage people to go after those qualifications. Don't believe that because you are a welder you will get a job on Hibernia because you are a member of the union. If you have not upgraded and got the top skill that is needed, you are not going to get the job.

With regard to that I would like to make a point. It was in the paper just recently that the Marystown Shipyard tried to find fifteen welders with qualifications, basic, that were appropriate to send them off for eleven weeks of training, and they had to cancel the program recently because they could not find fifteen people to take it up. That is sad and it disappoints me at this early stage of the Hibernia project. I want people to go out there and get after these appropriate qualifications, and do it now.

Mr. Speaker, I will not continue to speak. We agree on what we are doing here. Let us finish this Bill off, get on with it, so that we can sign the agreements and get on with the job. Thank you.

On, motion, a bill, "An Act To Amend Certain Legislation Respecting Offshore Development," read a second time, ordered referred to a Committee of the Whole House presently, by leave. (Bill No. 61)

Mr. Baker: Mr. Speaker.

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

Mr. Baker: Mr. Speaker, I would like to ask for leave of the House to proceed through Committee stage and third reading of this Bill today. There is not an hour by hour urgency for this Bill, but I would like to point out to hon. members that from the point where this Bill is dealt with with the House, it will take, I believe, forty-nine days then for the process to percolate through the system to the point where we then would be ready to complete the signing.

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

Dr. Gibbons: If everything is done by the exact day it can take up to forty-nine days, so that is the maximum and that is possible. It is possible it could be done in a shorter time, but we have to be prepared in case it takes the maximum forty-nine days.

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

Mr. Baker: So even though we could go through the normal process, for that reason I request leave of the House to finish up with this Bill today.

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

Mr. Hewlett: Thank you, Mr. Speaker. We concur with the House Leader's suggestion.

Mr. Baker: Committee stage, Mr. Speaker, Bill No. 61.

On motion, that the House resolve

itself into Committee of the Whole on said Bill, Mr. Speaker left the Chair.

#### Committee of the Whole

Mr. Chairman: Order, please!

A bill, "An Act To Amend Certain Legislation Respecting Offshore Development". (Bill No. 61).

On motion, clauses 1 through 3, carried.

An Hon. Member: Could we have clauses 1 through 12 carried?

Mr. Chairman: Okay. Probably we could expedite matters by having clauses 4 through 12 carried.

On motion, clauses 4 through 12, carried.

Motion, that Committee report having passed the bill without amendment, carried.

Mr. Baker: I move that the Committee rise, report progress and ask leave to sit again.

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

Mr. Speaker: The Chair apologizes. The Chair thought it would take a longer time, and was contented for a longer break.

The hon. the Member for Trinity - Bay de Verde.

Mr. Chairman: Thank you, Mr. Speaker.

The Committee of the Whole have considered the matters to them

referred and have directed me to report Bill No. 61 carried, without amendments.

On motion, report received and adopted, Bill ordered read a third time, now by leave.

Mr. Baker: Mr. Speaker.

Mr. Speaker: I am sorry.

Mr. Baker: Mr. Speaker, we just finished the reading in Committee stage, so I would like to ask leave of the House to proceed to the third stage reading at the present time.

Mr. Speaker: I thought that was agreed to.

Mr. Rideout: Yes, Mr. Speaker, we agreed. By leave.

On motion, a Bill, "An Act To Amend Certain Legislation Respecting Offshore Development", read a third time, ordered passed and its title be as on the Order Paper.

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

Mr. Baker: Motion 1, Mr. Speaker.

Mr. Speaker: It is moved and seconded that I do leave the Chair for the House to consider certain Resolutions relating to the raising of loans by the Province (Bill No. 39).

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

Committee of the Whole

Mr. Chairman: It is after 4:00, I am wondering if we could just take a minute to get the questions for the Late Show before we start on Bill 39.

I am not satisfied with the Premier's response to my question on the social assistance cuts, and I would like to have the question debated in greater length on the Late Show, the hon. Member for Humber East.

I am not satisfied with the answer by the Minister of Works, Services and Transportation concerning the Ossokmanuan bridge contract. That is from the hon. Member for Kilbride.

I am not satisfied with the answers given by the Minister of Finance in response to my question on the financial position of this Province. That is from the hon. Member for Mount Pearl.

Mr. Rideout: A point of order, Mr. Chairman.

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

Mr. Rideout: Thank you, Mr. Chairman. I am wondering, maybe somebody at the table can tell me, whether or not the information the Minister of Works, Services and Transportation was attempting to read from today was tabled? We would like to have that information in preparation for later on this evening.

Mr. Gilbert: I was reading from general notes.

An Hon. Member: No, you did not.

Mr. Rideout: Mr. Chairman, the hon. Minister was reading from a document here in this House today

of information and it should be tabled. That is my point of order.

An Hon. Member: Hear, hear! That is right.

Mr. Rideout: In fact it must be tabled.

Mr. Gilbert: Mr. Chairman, I had speaking notes here that I was reading from, that I was taking extracts from. It was not a statement to be tabled in the House and I said that.

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

Mr. Rideout: Mr. Chairman, no Minister, it generally applies to everybody in the House, but specifically in Beauchesne any Minister who quotes from a document must table that document in this House. He must table it, Mr. Speaker, and that Minister quoted from it on several occasions today. He was shuffling paper from one hand to the other. When he was not flinging his arms out like this almost beating the face off the Minister of Social Services he was reading from a document. Now, Mr. Speaker, the Opposition is demanding that that document be tabled in this House.

An Hon. Member: He just said he was reading from brief notes.

Some Hon. Members: (Inaudible).

Mr. Chairman: Order, please!

An Hon. Member: I thought he tabled it.

Mr. Baker: Thank you, Mr. Chairman. I agree that where a Minister quotes specifically from a document that the document should be tabled and should be the

property of all Members of the House as a result. However, I suggest that Your Honour check back through Hansard to see if in fact the Minister did quote from a document. If the Minister did quote from a document then he must table it. If he did not indicate he was quoting from a document, then obviously, Mr. Chairman, he does not have to table it.

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

Mr. Rideout: Thank you, Mr. Chairman. Mr. Chairman, obviously Hansard has no way of telling whether a Minister quoted from a document or not. If the Minister stands up and starts to read from this particular document how does an electronic tape know that the Minister is reading. It is eyes that determine whether or not the Minister quoted from a document, Mr. Chairman. And everyone on this side of the House and the Ministers colleagues know that he was quoting from a document. I mean I can pity the Government House Leader the embarrassment that his colleague is putting the Government House Leader through. The Government House Leader knows that the Minister quoted. He had a prepared answer. He had a prepared text and he quoted on a number of occasions today from that text. Now, Mr. Chairman, is there any -

Mr. Chairman: Order, please!  
Order, please!

Mr. Rideout: Look, that Minister has to stop fooling around with the rights and privileges of Members of this House, Mr. Chairman, and he has to produce that document. Now there is no other business being done in this House today until the Minister

lives up to his responsibility and provides this House with the document.

An Hon. Member: He had briefing notes. Table them.

Mr. Chairman: To the point of order -

Mr. Rideout: He did not. We saw him (inaudible) with our own eyes.

Mr. Chairman: Order, please! Order, please!

Mr. Rideout: I thought he did not.

Mr. Chairman: Order, please!

The Chair was not aware of the Minister reading from the document. I have no way of telling because I am not sure if I was in the House at that point in time. But maybe with the permission of the House I can just recess for a minute and see what has happened.

Recess

Mr. Chairman: Order, please!

The Chair has consulted with the Speaker and the Speaker is not aware of the hon. Member reading from a document, and other than taking the word of the hon. Member, which we have to do, that he was referring to some notes that he made, then there is no point of order.

The hon. the Minister of Works, Services and Transportation.

Mr. Gilbert: Mr. Speaker, those are the papers I had in my hand. Those are the notes I had in my hand. I will table those. Here

is the one I tabled just today, and here is a copy of Hansard that I had from yesterday, so I will table that.

Some Hon. Members: Oh, oh!

Mr. Chairman: Order, please!

The hon. the Member for St. John's East Extern.

Mr. Parsons: Thank you, Mr. Chairman.

From what I have listened to this past couple of days, the conduct of this Government, of their financial ability as it pertains to running this Province, I would hate to be in the same shape if I were a businessman who was going to the bank to look for a loan. That is what we are talking about here, Mr. Chairman, a Loan Bill, a Government that has to go to world banks and lay on the table their achievements, what they have done since they came into power. I was to a Firemen's Ball down in my own district only a few nights ago and one of the speakers there mentioned that the Premier was at the Mayors and Municipalities Convention in Corner Brook and he said if you wanted to hear doom and gloom and all about no money to spend that was the place to be. Then the Minister of Municipal and Provincial Affairs followed him.

An Hon. Member: Historic sites and and recreation.

Mr. Parsons: Historic sites, recreation, culture, whatever, the Minister of five Departments, he gets up and he says there is going to be no money over and above, and perhaps less than what was given out last year, much less. Now when I heard the Minister of

Education get up today and say that yesterday he mentioned the figure of \$30 million, then he said it could be more or it could be less. But when we looked it up in Hansard he said more all right, but he did not say less. Now the Minister of Municipal Affairs in his speech out there, he said there was going to be less. And we do not know how much less.

Mr. Chairman, I was also listening today when there was a question asked in the House as it pertains to the Recovery Commission and the one arm of that Recovery Commission which was called NewCorp. It came to light today that NewCorp has spent \$60 million, and the Premier said they have created X number of jobs, so many jobs. He does not know how many jobs. But the point remains that NewCorp did spend \$60 million, gave it out somewhere. No one knows, but they gave it out somewhere, and they said they did create jobs.

But now, Mr. Chairman, I can see where some of the \$130 million is gone. NewCorp again, our Recovery Commission, our Government by Commission, our Commission which dictates to every Minister in the Government, with the exception of the Premier, Dr. House and the Premier, those are the two people who run the Government. They have already spent \$60 million so that \$60 million taken away from \$130 million, we have \$70 million left.

Now, Mr. Chairman, I was reminded the other day that apart from being in the red \$130 million, the savings that this Government is creating today at this present day, that is not even counted in that \$130 million. So, Mr. Chairman, if you want to be realistic rather than say that

this Government is in the red \$130 million, you are talking about perhaps in excess of \$150 million, \$160 million. And it is like the Premier said when I saw him being interviewed on television, that it could go next year to \$200 million.

Mr. Chairman, I think it would be a realistic figure if we said instead of the \$120 million for this present year we would be closer if we said \$200 million. And the Minister of Finance has really an adage on this now, it is becoming an adage, because it is becoming very, very old. He says whatever happens, it does not matter, blame it on the Feds. No matter what it is blame it on the Feds.

I was delighted today that some common sense prevailed on the other side when the Minister of Mines and Energy rose in his place and everyone concurred with what he wanted to do to pass the Hibernia Bill. But I was listening to him when he said now is the time to be creative, to teach our people out there, to teach the workers, to bring them in line with what is expected of them in this Hibernia job creation uplift for this Province.

He said that because a person is a welder does not necessarily mean that he is going to get a job on the Hibernia deal. But he came across to me as a man with common sense, who was saying, look, let us train our people now. Let us take the 16 per cent and drop it down by a hundredfold within the next few years by training our people. That is the point I was making yesterday, Mr. Chairman, when I talked about Bill C-21. I was delighted last night when I watched the late news and I saw that Bill C-21 perhaps could get



through the Senate and become a reality. As I said yesterday there is \$75 million there for training purposes, and because of our situation as it pertains to the unemployed with our percentages much higher than the rest of the country, I think we could avail of it, and it would add to what the Minister of Mines had to say today. I must say the Minister of Mines and Energy is on the right track. Every time I think about it I go back and think about Meech Lake. I was looking at The Journal last night, and I am sure more hon. Members in this House besides myself looked at it, and we saw a dilemma right across this country, confusion, people not spending, people frightened, people scared of their lives they are going to lose their jobs, lose their farms, they are going to lose their business, they are going to lose their livelihoods, and I personally, not as this caucus, but I personally feel that the defeat of Meech Lake had something to do with the overall situation in Canada today. I certainly do. I believe you made a mistake, and I think that over there now on the other side, they are beginning to realize it. A lot of the economic problems were caused by the unbelievable apathy that was caused by the defeat of Meech Lake.

I was speaking to a gentleman the other day and he told me about his mother-in-law. His mother-in-law was a very, very elderly lady. She became sick and had to go to the hospital and the doctor said she had only a few hours, no more than a day to live. She was placed in a ward that was accessible to anyone who wanted to walk in off the street, anyone who just walked back and forth through the hospital. Here was a lady

almost eighty years of age who could not get a bed, until finally someone with some clout called that person in the hospital and said you cannot do it, you cannot do this. This lady has a right to die in peace. You know there were hospital rooms in that hospital that were locked, but one of them was opened, thank God, and that lady was placed in there. She did die within the day but at least she died, I suppose for want of better terminology, in a respectable state, rather than where she was placed on a ward. This Government who ran a platform of opening hospital beds, of making it better for the elderly, failed miserably, Mr. Chairman. Today we learned, yesterday we learned again -

Mr. Chairman: Order, please!

The hon. Member's time is up.

Mr. Parsons: By leave.

Some Hon. Members: No leave.

Mr. Chairman: Order, please!

The hon. Member's time is up.

Mr. Parsons: Thank you, Mr. Chairman.

Mr. Chairman: The hon. the Member for Burin - Placentia West.

Mr. Tobin: Mr. Chairman, I think we are about to go into the Late Show in a couple of minutes. I do not know whether you want to adjourn debate for this evening and go into the Late Show.

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

Mr. Speaker: Order, please!

The hon. the Member for Trinity -  
Bay de Verde.

Mr. L. Snow: Mr. Speaker, the Committee of the Whole has considered the matters to it referred, has directed me to report progress and ask leave to sit again.

Motion that the Committee has considered the matters to it referred, report progress, and asks leave to sit again on tomorrow.

Debate on the Adjournment  
[Late Show]

Mr. Speaker: The first question is submitted by the Member for Kilbride, stating his dissatisfaction with the Ossokmanuan Bridge Contract. The hon. the Member for Kilbride.

Mr. R. Aylward: Thank you, thank you very much, Mr. Speaker.

First of all, I would like to inform the hon. Member for Placentia, that if he listens today, he will hear the truth of what has happened with this blunder by the Minister of Works, Services and Transportation.

I just want to show the misinformaion and the mishandling of this whole procedure by the Department of Works, Services and Transportation.

Mr. Speaker, the Minister in particular, and not only the Minister, but the most frightening part is the Premier also, has misled the people in this Province in giving out information on this contract.

When this started off, the Minister came out with an explanation that we will lose \$1.3 million on a contract because of an administrative error. Now being the suspicious person that I am, and being an Opposition Member, which increases my suspicion, I just ask: when I was in Cabinet, had I given an answer such as an administrative error, the first question that an Opposition of that day would have asked is, what does that mean - because I do not know what an administrative error means.

So I started to investigate this contract and I tried to find out what the administrative error was supposed to be, and the more I dug for the contract, Mr. Speaker, the more I found that the Government was trying to cover up something. I do not know why, I still do not know why if there is an administrative error, why they would want to cover up an administrative error.

I know it is embarrassing for the Minister and it is embarrassing for the Government, especially in these times of \$120 million admitted deficit, probably \$200 million actual deficit before the year is out, that it is embarrassing for the Premier and the Minister to throw away \$1.3 million.

Now they thought they were only throwing away 32.5 per cent of that I guess, but the Federal Government, as of yesterday's date, right from the Federal Minister's office, they are adamant that they will not spend their percentage, their 62.5 per cent on this project, and the Minister said today, in his answer that - I think he tabled some of it after, anyway - but he said

today in his answer that it does not really matter, because the Federal Government will spend all their money in the Province anyway. Yes, they will, they will spend all their money in the Province.

What the Minister in the Department of Transportation is actually trying to do now, is take money away from the Marine Drive project in Corner Brook, which is covered under this project, they are going to take money away from the Marine Drive Project in Corner Brook and put it into this \$1.3 million mistake that they have made on the Labrador Bridge.

Mr. Speaker, if the Province pays their \$1.3 million blunder, the money that is left over, yes, the Federal Government will spend all their money in the Province, but the rest of the money in that agreement is slated for the Marine Drive Project in Corner Brook and some upgrading on Water Street in St. John's. Both of those projects will lose money if the Minister gets his way, so that the Federal Government will pay 62.5 per cent of his blunder.

What I want to point out in the short time that I have, is the misinformation which we are getting. Yesterday, the Government House Leader rose when I suggested that he tried to block the Auditor General from investigating this matter and he said the Auditor General can investigate anything he wishes. Yes, he can investigate anything he wishes, Mr. Speaker, but he was fooling with the facts, I suppose you can call it. I cannot say he was intentionally misleading and I would not suggest that he was. Well, Mr. Speaker, the Auditor General, yes, can investigate this

matter after the money is spent, the money is long gone. When I wrote the Premier the letter I asked the Premier to use the powers he has under Section 66, I believe it was, of The Financial Administration Act and ask the Auditor General to investigate it. Let the Auditor general look at it and tell me - tell the Province, not me. I am only a messenger - tell the Province that yes, it was an administrative error, this is what happened, and this is why it will not happen again.

So the Auditor General could give some recommendations to the Department and to the Minister who refused, even to this day, Mr. Speaker, to act and show that this will never happen again. Because he said in yesterday's answers to questions, Mr. Speaker, it was an administrative error by an employee. Okay. He said that, and I will accept his word.

The really frightening part of this, Mr. Speaker, is that he says disciplinary action was taken. Well, that had to be, and we hope nothing like this will happen again. This is six months after the mistake occurred and he is hoping that this will not happen again. There are no procedures to this date, according to the Minister, in that Department so that another contract will not happen tomorrow and be left on the desk and this Province, in the poor financial state it is in, will lose another \$1 million, \$2 million, \$3 million or \$10 million. Especially with the big contracts coming out on Hibernia, Mr. Speaker. I hope they are not going through the Minister's Department. I would have a little more faith if they were going through the Minister -

Mr. Speaker: Order, please!

The hon. Member's time is up.

Mr. R. Aylward: That is too bad, Mr. Speaker.

Mr. Speaker: The hon. the Minister of Works, Services and Transportation.

Mr. Gilbert: Mr. Speaker, we have had some discussion in the last few days about the Ossokmanuan Bridge contract. The Member started off, and he did not know what an administrative error was. I suppose it might be civil service language for 'someone did not do their job'. But that is basically -

An Hon. Member: The Minister.

Mr. Gilbert: No, the Minister did an excellent job and he inherited -

Some Hon. Members: Oh, oh!

Mr. Gilbert: There is no doubt about it, the Minister did his job well. The only thing was, as I indicated here earlier today, he inherited a civil service that had seventeen years of the management that was provided by those gentlemen over there.

An Hon. Member: The (inaudible) is going to love that one.

Mr. Tobin: Name how many times that happened in the seventeen years.

An Hon. Member: Listen boy, we listened to you (inaudible).

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

I again point out to hon. Members to my right, I do not believe that

the Member for Kilbride in advancing his case was interrupted at all, and I would ask hon. Members to extend the same courtesy to the Minister of Works, Services and Transportation.

Mr. Gilbert: Again, Mr. Speaker, when the Member for Kilbride was talking about it he was shocked at my answer about the procedure. The only thing is he did not go on. The other thing I said was I hope it does not happen again. We have taken action to correct it, but I said human error can creep in. The procedure is there now. I can't stand in this House and guarantee it will never happen again, but I can assure you that there is a procedure in place to make sure that it will not. But the human factor is there and I certainly can't guarantee it.

Now you are talking about the Opposition wanting an investigation. We have done an investigation and I tabled in the House yesterday the results of what we have found. And I also said when I tabled it in the house that if the Member for Kilbride had information that was not contained in that, he should certainly, if he feels he has any other information he could add to that and he feels an investigation is needed, go to the police, turn it over and let the police do an investigation.

Now, in the last month or so we have had a request from the member; the Member wrote the Premier and asked that an investigation be undertaken into this. There was a letter, and if the Member wants I can quote from it, which the Premier sent back to him outlining the procedure we had followed. We had no problem at all with an investigation, but we

were not going to initiate it. We had done our investigation, and we did not see the need of spending more taxpayers' money to have a further investigation. We are satisfied.

It was pointed out yesterday that the Auditor General has the power to investigate this if he wants to. So I say to the Member for Kilbride, if he has information I do not have, he should go to the police with it.

Then the next thing I had, Mr. Speaker, was a call from the Ombudsman. When I received that call I told him I thought it was outside his sphere of influence. But I did check the Act and I found yes, in the Act there was really no provision for the Ombudsman to investigate something like this on the request of a member of the Opposition.

Mr. Rideout: The Ombudsman works for every member in this House.

Mr. Gilbert: But the Ombudsman now has another course open to him. He can go to the Supreme Court. We feel this is a waste of the taxpayers' money, but the Ombudsman must work as he sees fit. We can't impose our rules on him, he has his own rules. We interpreted the Act and we felt this was outside his sphere of influence. So now the Ombudsman has decided to go and carry on his investigation. I welcome it, quite frankly. I hope he does, but I feel it is a useless waste of the taxpayers' money. The investigation has been done. We are quite happy with it. We are happy that there was no impropriety. It is just a situation we can correct very quickly. We have done it. The procedure is in place, I point out.

Some Hon. Members: Resign!  
Resign!

Mr. Speaker: Order, please! The hon. Minister's time is up.

Mr. Gilbert: All right. In closing, I assure the gentleman that the procedures are in place to see that it will not happen again.

Mr. Speaker: The second question is raised by the Member for Mount Pearl concerning the fact that he was not happy with certain questions posed to the Minister of Finance. The hon. the Member for Mount Pearl.

Mr. Windsor: Thank you, Mr. Speaker. I was happy with the question, it was the answer I would like to challenge.

Dr. Kitchen: It was a poor question.

Mr. Windsor: Mr. Speaker, the Minister of Finance may think it is a poor question, but I can assure him the people of Newfoundland and Labrador do not think it was a poor question. My question was very clear and very simple. The question was why did the Minister of Finance take four and a half months, from the end of March to the middle of August, to tell the people of this Province the truth about the equalization transfer from Ottawa?

Now the Premier confirmed yesterday, in my absence, I read it in Hansard, at the beginning of yesterday's session - I was late getting in - the Premier confirmed that Government was notified on March 30, verbally, and the letter was received on April 5 which made it clear that they would receive some sixty-odd million less than

they had anticipated at the time of bringing down the Budget, which was March 15.

Two weeks later, this was before the debate began, because we did not start until the first week of April even debating the Budget, and it was on April 29 that the Budget was approved, two months later.

An Hon. Member: May 29.

Mr. Windsor: May 29, I am sorry. You are quite right. May 29, some two months later, the Budget was approved. During a two month period, as the debate was being carried on in this House, not once did the Minister of Finance have the honesty to stand in this House and tell the people that the numbers had changed by some sixty-odd million. In fact it took the Premier to finally admit it. Just a couple of weeks ago he finally came forward and told the people there was going to be a one hundred and twenty-odd million dollar shortfall.

Dr. Kitchen: You did the same thing when you were in.

Mr. Windsor: No, I did not.

An Hon. Member: Yes, you did.

Mr. Windsor: No, I did not.

An Hon. Member: Does that make it right?

Mr. Windsor: I did no such thing, Mr. Speaker.

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

Mr. Windsor: I will challenge the Minister of Finance, Mr. Speaker, to put up or shut up. You

document that - you document it. You document that there was anything at all that I knew relating to the finances of this Province that was not reported to this House on a timely basis. I challenge him, and if he can do it

Some Hon. Members: Oh, oh!

Mr. Windsor: Now, Mr. Speaker, what we are talking about here is a gross misrepresentation of the facts to this House of Assembly and to the people of this Province. That Minister, all ministers opposite for that matter, including the Premier, stood in this House during the debate and talked about their \$10 million surplus, knowing all the time during that debate, because the debate did not start until after they had received that letter, that that was not true. Now, Mr. Speaker that is a clear, absolute deception. Words I cannot use, that would be unparliamentary, are very appropriate here, and are very clear and very obvious.

Mr. Tobin: Barefaced falsehood can be used.

Mr. Windsor: Barefaced falsehood is a fine term, but it is a little mild for what took place. There has never been, Mr. Speaker, such a deception by a Minister of Finance to the people of this Province and to the House of Assembly.

Mr. Speaker, how does this Minister expect anybody in this Province to have any confidence in his budget, in his economic plan? How does he expect investors in this Province to have any confidence in it when he very clearly now, as confirmed by the

Premier yesterday, deceived this House of Assembly. He very clearly deceived it. Not only he, but he has to take responsibility for it. He is the Minister of Finance, he is Her Majesty's Minister responsible for reporting financial matters to the House of Assembly and to the people of the Province and to the international money markets, as well.

The question that will be asked of the Minister is how much irreparable damage has been done to the credibility of this Province on the financial money markets? We will find out very soon, I suspect. The credibility of this Province has gone down just about as quickly as the credibility of this Government, Mr. Speaker, in the eyes of the people of this Province, they have been deceived so many times.

Some Hon. Members: Hear, hear!

Mr. Windsor: We could lift off here a litany of falsehoods, Mr. Speaker. Have a look at the election campaign promises and we will soon see that the record of this Government parallels the record of the Minister of Finance, deceit and falsehoods...

Mr. Speaker: Order, please!

The hon. Member's time is up.

Mr. Windsor: Thank you, Mr. Speaker. I will have another chance, Mr. Speaker.

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

Dr. Kitchen: Mr. Speaker, let me say this, that there is no danger of this Government's credit rating being reduced in the foreseeable future, unlike when the Members

opposite ran the Government, when their credit rating was reduced to a situation where we were barely tottering on the edge. It was their Government when the credit rating was reduced. It was their incompetence.

Mr. Flight: Is that right?

Dr. Kitchen: Yes, it was reduced to the lowest credit rating in Canada when they were there, and we are attempting to do everything we can to raise that credit rating. And what are we faced with, Mr. Speaker? We are faced with the Tories in Ottawa.

Now, just listen to what they have done and look at what is going to happen to us in the future. You know, Mr. Speaker, we know that the cash in Newfoundland comes from Ottawa to a large extent, to a fundamental extent. It also comes from taxes we raise. The equalization payments, I am a bit nervous about next year. What is going to happen next year with the economy, with the unemployment insurance cuts next year, which my hon. friend down here mentioned yesterday, where the people of this Province will have less income next year? What happens when the Goods and Services Tax is brought in next year, when the taxes are shifted directly onto the individuals of the Province and our personal income tax goes down and our corporate income tax goes down? What happens as the Federal economy declines? What happened as a result of the high interest rates?

Mr. Speaker, what is happening here is Tory bungling, Tory bungling in Ottawa which has hurt us. The reason we went from 10 up to 120 down can be laid completely at the door of the Federal

Government in Ottawa, totally and completely. Mr. Speaker, the only good thing we have going in this Province is this Government and this Premier.

We have a good team in place, we have a good Economic Recovery Team in place that will bring about economic recovery. We had, during this terrible administration of the past few years, when the -

Some Hon. Members: More lies. More lies.

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

I clearly heard the word 'lies' uttered from Members to my right, and I would ask, please, that they withdraw that immediately.

An Hon. Member: Burin - Placentia West and Mount Pearl. Both of them.

Mr. Parsons: I am not sure who did it, but I will withdraw it on behalf of this side, if it was said.

Mr. Speaker: There was one other.

Mr. Tobin: Mr. Speaker, I am not sure if I was one of them, but I will withdraw if I used that word. And let me say to the Minister of Finance -

Mr. Speaker: That is sufficient. The hon. the Minister of Finance.

Dr. Kitchen: Thank you, Mr. Speaker. We have confidence that with the steps we are taking to cut back on our expenditures and to encourage industry and business in this Province it is not only Hibernia we are going to be bringing in, but there are other good projects, other good things

that will come in under our regime as we look forward to the next ten, fifteen, or twenty years. We will have prosperity in this Province, but the problem we have had is dealing with a Federal Government that makes it very difficult for business to operate. Can you imagine trying to run a business with interest rates as high as they are now, where businesses have to pay 15 and 16 per cent interest? How can you operate a business paying 15 and 16 per cent? What we have to try to do, Mr. Speaker, is get equity into businesses, one of the most difficulty things there is. There is no doubt that the problems of this Province, financially, are largely the result of Federal Government measures which have interfered with the way we conduct business here, which have been hurtful to our people, and which have been harmful to our Government in the form of equalization payments and in the way they have handled their unemployment -

Mr. Speaker: Order, please!

The hon. Minister's time is up.

The hon. the Member for Humber East.

Ms Verge: Thank you, Mr. Speaker.

In Question Period I asked the Premier if he would reverse immediately the October 1 social assistance cut. That cut, as I trust he now realizes, has resulted in an immediate surprise drop in income for about 1,000 single parent families in our Province of up to \$115 a month, and for families in that very low income bracket, that amount of money, which might not seem like much to many of us in this



Chamber, represents up to 20 per cent of their total income.

Mr. Speaker, in his answer, the Premier defended the change. He went on to say that if, following a separation or a divorce, the father of the family pays \$2,000 a month child support and maintenance, why should the Government provide any social assistance.

Mr. Speaker, that kind of a statement indicates that the Premier is completely out of touch with the reality of social assistance and with the reality faced by poor families in our Province today.

The fact of the matter, Mr. Speaker, is that, if that kind of maintenance were being paid, of course the recipient would not be eligible for social assistance. A single mother with three children only gets \$550 social assistance a month, \$550 a month, for an adult and for her children.

Mr. Speaker, all along up to October 1st, if single parent families on social assistance could get some maintenance or child support, then they would be able to improve their total financial position, because the Department of Social Services allows the family to have up to \$115 a month extra, without any deduction being made from the social assistance payment.

Since the support enforcement agency of the Department of Justice opened on May 1st of 1989, about \$1 million have been collected and paid to single mothers on social assistance. Many of those recipients had their financial position improved, consequently, part of the money

was deducted from social assistance payments, part was not, families were able to benefit by up to \$115 a month.

There was a sliding scale formula used for factoring in maintenance and child support payments, the same as there was and continues to be for income received through employment by the social assistance recipient.

Now in both cases, I put it to the Premier, justice is served by the provision of an incentive on the one hand, an incentive for the dependent family members to seek a court order for maintenance and for the absent parent or spouse to pay the support, on the other an incentive for the social assistance recipient to find work.

Mr. Speaker, I hope the Premier has spent part of the afternoon when he has been absent from this Chamber informing himself about the kind of devastation that has resulted from the October 1 social assistance cut. And I hope when he rises to speak now, he will say that he was misinformed and that he has now directed the Department of Social Services to reverse the change and to restore the income lost to the approximately 1,000 single parent families, and restore an incentive for those people seeking court-ordered maintenance and for the judgement debtors to pay the amounts owed.

Mr. Speaker: Order please!

The hon. Member's time is up.

Ms Verge: Thank you, Mr. Speaker.

Mr. Speaker: The hon. the Premier.

Premier Wells: Mr. Speaker, I was absent from the House this

afternoon. I do not spend much time absent from it, but I was absent from the House this afternoon attending to urgent and important business for the Province. Not preparing for the Member's comments.

I can only say in general terms that I do not have all the details at my fingertips but I will get them and find out precisely what the situation is.

Our commitment - and I say to her and to the whole House again - is to a fair and balanced treatment for everybody in this Province with no preference for anybody. The people who are in this category who would be receiving social assistance, who may also be receiving maintenance payments, must be treated exactly the same as others who receive other income. It is not right to treat them preferentially or treat them more severely. They have got to be treated in a fair and balanced way.

And I will commit to this House and to the people of the Province that the Government will see that everybody is treated in a fair and balanced way. Now if we have made a mistake - that is entirely a possibility, I do not know, maybe we rushed at approving this and made a mistake - and it results in an unfair or an unbalanced treatment of those people, I can tell you that steps will be taken to correct it. If we have not, it does not matter how many times the hon. Member stands in the House or says anything else, we shall still persist in it and treat the people concerned in a fair and balanced way.

So what I will commit to the House, Mr. Speaker, is fairness

and balance for the people concerned, but I will not commit to produce the result that the hon. Member requests, no matter whether it is fair and balanced or not.

Thank you, Mr. Speaker.

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

Mr. Baker: Thank you, Mr. Speaker. For the information of Members Opposite, our plan, when we come back, is to continue on with the Loan Bill, to get into the Regional Services Bill and I believe I have informed the Leader of the Opposition of two or three Bills that we intend to proceed with next.

I would also like to point out that by agreement of both sides of the House there will be no sitting tomorrow and our next sitting, we propose, Mr. Speaker, to be on Monday.

The reason is, the Opposition Party is having their annual meeting, it is customary to do that when the annual meeting is on to give them time to prepare during the day tomorrow.

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

Mr. R. Aylward: Just a clarification. The hon. Minister listed what we would be doing tomorrow I believe, and he said the Regional Services Bill will be included, after the long weekend, I mean, yes?

Are you aware that the Committee, our Government Services Estimates Committee, that Chairman Murphy and myself worked on have not completed the report on that yet,

we are still working on it. Are we going to have it in the House if we recommend changes, will they be considered, is what I am concerned about.

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

Mr. Baker: I do not know, Mr. Speaker, from where the misunderstandings come, I really do not.

The intention, and I will repeat it again - and again if I am wrong, I will go back and change it again. Committees are suppose to originally set up, to report back to the House during the committee stage of the Bill, and that there was no commitment the Bills would not go through first, second readings in the House before the committee could then make amendments during the committee stage, there was never any commitment to that. There seems to be a very serious misunderstanding here, so -

Some Hon. Members: (Inaudible).

Mr. Baker: Pardon?

An Hon. Member: (Inaudible).

Mr. Baker: Yes. But you want to go back and forth for the next ten minutes about politics, fine, but I am talking sense here now, so could we talk sense for ten seconds? Could we agree to stop the clock for a moment, Mr. Speaker?

Mr. Speaker: Order, please!

If Members agree to stop the clock at five, the Chair will accede.

Mr. Baker: If we could get the understanding that the report from

the Legislative Committees happens during the committee stage after second reading in the House, at which point, they could propose amendments or whatever.

If the committee is finished ahead of time and wants to report early, I suppose they could, through some mechanism, report to the House, or if they wanted Cabinet to change the Government's position, they could give a report to Cabinet and say here is what we think and will you change your Government's position. But the Bill is a Government Bill and we debated, and during the committee stage then, the committee could make the amendments they see necessary and then they will be voted on.

Mr. Speaker: I declare this House adjourned until Monday, at 2:00 p.m.