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TRANSCRIPT

HOUSE OF ASSEMBLY
FOR THE PERIOD:
3:00 p.m. - 6:00 p.m.
MONDAY, May 7, 1984

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The House met at 3:00 p.m.

Mr. Speaker in the Chair.

MR. SPEAKER(Russell): Order, please!

STATEMENTS BY MINISTERS

MR. OTTENHEIMER: Mr. Speaker.

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

MR. OTTENHEIMER: Mr. Speaker, it is with a great deal of regret that I announce the resignation of Chief Richard Roche, of the Royal Newfoundland Constabulary, effective July 1, 1984.

Chief Roche has been on sick leave for the past several weeks and has now been advised by his physician that he should seek early retirement from his position as Chief of Police.

Chief Roche joined the Royal Newfoundland Constabulary in 1956, was appointed Deputy Assistant Chief in 1976, assumed the position of Chief of Police in February 1980, and has served with great distinction since that time.

Chief Roche has presided over an unprecedented expansion and modernization of the force. During his tenure the Constabulary has achieved a high degree of professionalism, to the extent that government felt is appropriate to expand the Constabulary into Labrador, in July of this year, and into Corner Brook in 1986. He has been largely responsible for putting into place a new recruitment system through the Public Service Commission which has permitted Newfoundlanders throughout the Province to compete for positions in the Constabulary and to be appointed to the Constabulary on the merit principle.

The Constabulary has also been fully integrated since the appointment of women to the force. A formal training programme has developed

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MR. OTTENHEIMER: through the Atlantic Police College in Prince Edward Island and there has been a great increase in in-service training for all members.

During his tenure the Constabulary expanded to police the increased boundaries of the City of St. John's and the Northeast Avalon, including Conception Bay South and other communities on the Northern tip of the Avalon Peninsula and Mount Pearl.

I know that I speak for the citizens of St. John's and surrounding areas when I express on their behalf the gratitude that we all feel to Chief Roche for a job well done over the past four years and wish him well in the future.

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MR. OTTENHEIMER:

On a more personal note, I have had the opportunity of working very closely with him over the last four years, and I can perhaps more fully appreciate the heavy workload which has been his, and the drive and intelligence which he has brought to his job. He worked unceasingly toward his objective of increasing the effectiveness and efficiency of the force and I am strongly of the opinion that the Constabulary is far better for having had him as its Chief during the period of four years. I wish him well and I am sure all hon. members do.

I am pleased also to announce the appointment of Deputy Chief Don Randell as Chief of Police, effective July 1, 1984. Deputy Chief Randell was born and raised in Port Rexton, Trinity Bay. He is fifty-one years old. He joined the Royal Newfoundland Constabulary on May 5, 1956 and after spending one year on patrol duty he was transferred to the Criminal Investigation Division where he spent twenty-three years. He was promoted to Acting Sergeant September 1, 1963 and on March 1, 1967 was promoted to Sergeant. On November 1, 1970 he was promoted to Detective Sergeant, second in charge of the Criminal Investigation Division, and on December 22, 1976 he was promoted to Detective Inspector in charge of the CID. On March 24, 1980, I announced his appointment as Deputy Chief in Charge of Operations of the Royal Newfoundland Constabulary. At the present time, of course, he is Deputy Chief, until his promotion as Chief which I am announcing now.

Deputy Chief Randell is a graduate of the Canadian Police College in Ottawa,

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MR. OTTENHEIMER: having completed courses in senior police administration, executive development and police labour relations.

Deputy Chief Randell has been a member of the executive of the Royal Newfoundland Constabulary for the past four years and has fully participated in the development and implementation of the new policies in effect for the Constabulary. He brings to his new position a wide variety of experience in the Royal Newfoundland Constabulary and I am confident that under his leadership continuing progress will be made.

I am also pleased to announce the appointment of Superintendent Francis Fleming as Deputy Chief of Police. Superintendent Fleming was born and raised at St. Vincent's in St. Mary's Bay and is forty-seven years of age. Before joining the Constabulary on August 8, 1955 he spent one year as a school teacher. Superintendent Fleming has spent fourteen years with the Patrol Division, ten years with Traffic Division and four years as Planning and Training Officer. He was promoted to

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MR. OTTENHEIMER:

Acting Sergeant July 1, 1966, to Sergeant June 1, 1967, to Lieutenant March 1, 1974, to ~~inspector~~ December 1, 1980, and to Superintendent May 2, 1983. He was appointed commanding officer of the CID August 11, 1983. Superintendent Fleming is a graduate of the Canadian Police College and has successfully completed executive development and senior police administration courses as well as training design development and delivery courses. He also has several technical courses and considerable training and experience in disaster planning. Superintendent Fleming will be in charge of operations for the Royal Newfoundland Constabulary in his new role. With these two senior appointments to the Royal Newfoundland Constabulary, the executive of the force will consist of the Chief, Chief Randell, Deputy Chief Ed Coady and Deputy Chief Francis Fleming. I am confident that the new executive of the constabulary will provide the leadership so necessary as the force commences its expansion for the first time to areas outside St. John's. The people of the areas policed by the constabulary can rest assured that the department will provide the necessary support to the force in carrying out the duties assigned to them.

MR. NEARY:

Mr. Speaker.

MR. SPEAKER (Russell):
Opposition.

The hon. Leader of the

MR. NEARY:

Mr. Speaker, the statement made by the minister today, of course, will put an end to the rumours and the speculation that we have been hearing now for some time that the chief could not return to his duties. And we want, on this side of the House, to congratulate the two fine Newfoundlanders who have been promoted, one to Chief of Police and the other one

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MR. NEARY: to Deputy Chief. But before I take my seat, Mr. Speaker, I do want to concur with the hon. gentleman in as much as I have personally known the retiring chief of police for some considerable period of time, probably longer than the hon. gentleman and longer than most members of this hon. House. And I have to agree with the minister that I do not think if you combed the face of this earth you could find a gentleman who was more dedicated, more sincere in that job than Chief Roche. He took command of the Newfoundland Constabulary as it was at the crossroads

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MR. NEARY: and, no doubt, Mr. Speaker, it was under tremendous pressure, and I do not believe, knowing Chief Roche as I do, that he is the kind of a man who walks away from his responsibility. I doubt very much if he has ever taken a day off or taken a holiday. So I have to agree with the hon. the minister that we do owe Chief Roche a great debt of gratitude. As I said, he took command of the Newfoundland Constabulary right at the time they were at the cross-roads, when they were expanding, right at a time when crime, especially violent crime, was on the increase in this Province, and had to make the decision to take females into the force and so forth. And these very momentous and very historic decisions that had to be made by Chief Roche.

The minister did not tell us what arrangements have been made with the Chief as far as pension benefits and remuneration upon his retirement is concerned, but I presume it is in keeping with the tradition that has been established for people in the capacity of the Chief when they retire. Perhaps, later, the minister might give us a few details of what kind of a settlement, what kind of pension rights the Chief is entitled to.

We regret to hear that he is too ill to return to his duties, Mr. Speaker, but we want to wish him well in his retirement.

I also want to offer my congratulations to the new Deputy Chief, Don Randell and to Superintendent Francis Fleming, who has now been promoted to Deputy Chief.

And now, I presume, the Royal Newfoundland Constabulary can carry on with its great

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MR. NEARY: work, Mr. Speaker. I hope
they will not be distracted too much by expansion and
that they will be able to restore

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MR. NEARY:

confidence in the people of this Province, that it is again safe to walk the streets, that in a province which was once a happy province where you did not have to lock your door, Mr. Speaker, when you went down to the corner grocery store, that we will soon reach the stage in this Province again where, instead of an increase in violent crime we will see a decrease in violent crime and vandalism and the like. So there is not much else I can say about it, Mr. Speaker, except this will probably clear the air and we look forward to the Royal Newfoundland Constabulary carrying out the fine work that it has been doing in the past.

MR. OTTENHEIMER: Mr. Speaker, with the concurrence of the House could I answer, Sir, the hon. gentleman's question now rather than in Question Period?

MR. SPEAKER (Russell): Is it agreed that the hon. the Minister of Justice (Mr. Ottenheimer) have leave to answer the question?

SOME HON. MEMBERS: Agreed.

MR. SPEAKER: Agreed.

The hon. the Minister of Justice.

MR. OTTENHEIMER: First of all, I thank the hon. gentleman for his kind words. The Chief's retirement becomes effective the end of June. All public servants who have ten years' service get severance pay, obviously he gets that. Now, the Chief is retiring for reasons of health. If the Chief had been able to serve an additional two years and three months, he would have been entitled to 75 per cent of his salary, that is in the Constabulary Pension Act, or whatever it is called, Uniform Services Pension Act or some such thing. For reasons of health, and bearing in mind he has served for approximately twenty-nine years, the government has decided,

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MR. OTTENHEIMER: on what is called an ex gratia, as the hon. gentleman knows, that he would receive his 75 per cent pension. So he would have had the 75 per cent pension by statute, if he were not required to retire for reasons of health, two years and three months hence, or two years and four months or two months, I am not sure of the months. But the government, considering that the gentleman had served for approximately twenty-eight years and the contribution he had made, that he should not be penalized on that ground, and, bearing in mind that the retirement is for reasons of health, decided that he would get his 75 per cent pension.

MR. SPEAKER (Russell): Before we proceed, I would like to take this opportunity to welcome to the galleries, first of all, a large group from the Glovertown Regional High School, and with them we have some exchange students from Seagrams Secondary School in Delta, British Columbia, Grades X and XI. I do indeed welcome both groups so to speak to the galleries today.

SOME HON. MEMBERS: Hear, hear!

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MR. SPEAKER (Russell):
Labour and Manpower.

The hon. Minister of

MR. DINN:

Mr. Speaker, I have a very short statement to make. I am pleased to advise the hon. House of Assembly that I have been informed today that the ratification vote conducted by the Newfoundland Nurses' Union on their negotiated contract has been tabulated. The result of the vote was to accept the latest positions to which the parties had earlier reached tentative agreement.

SOME HON. MEMBER:

Hear, hear!

MR. DINN:

Mr. Speaker, it was done with the assistance of a conciliation officer from the department and it is the first one in the public service this year.

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

The hon. Leader of the Opposition.

MR. NEARY:

Mr. Speaker, this is the second, if not the third time now that the hon. gentleman is pleased to make this announcement. The hon. gentleman always seems pleased to announce something or other. Outside and inside the House, I think this is the third time.

SOME HON. MEMBERS:

Oh, oh!

MR. NEARY:

Mr. Speaker, the hon. gentleman loves getting up and repeating himself and making statements over and over again boring the House.

MR. DINN:

It is not true.

MR. NEARY:

It is true.

MR. DINN:

It is not true.

MR. NEARY:

Mr. Speaker, we have heard this song before. I know I only have half of the time and it is only two paragraphs, Mr. Speaker, but I doubt very

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MR. NEARY: if the nurses care whether the hon. gentleman is pleased or not.

MR. MARSHALL: Mr. Speaker.

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

MR. MARSHALL: Mr. Speaker, I would like to read to the House the text of a Telex which the Premier has sent to the Prime Minister today.

AN HON. MEMBER: He should have brought it up there. He is up there himself. He should have brought it up with him.

MR. MARSHALL: Anyway, it is a Telex that has gone to the Prime Minister and I will read it. It is self-explanatory. 'I am writing about the decision of the Supreme Court of Canada concerning the Water Rights Reversion Act enacted by the Legislature of Newfoundland. As you are aware, the court ruled the act ultra vires of the Province. In so doing it was upholding the position of the Province of Quebec and the Government of Canada when the latter intervened in the action on the side of Quebec.

'Because the decision was based upon a finding that this act affected extra provincial rights, it is conceivable that any other legislative initiative by the Province would meet a similar fate. In any event, any other provincial legislative initiative would result in lengthy court proceedings during which the current intolerable situation would continue in force. Neither this Province nor Canada can afford to allow that contract to run for a further fifty-seven years on its present basis with the oppressive and inordinate profits being exacted from the people of this Province.

'The Supreme Court of Canada has given us no choice but to ask the Government of Canada to take legislative steps to rectify the balance between the benefits received by Quebec, which, according to an independent

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MR. MARSHALL:

study by the Economic
Council of Canada are currently in the order of \$790 million
per annum, against the benefits received by

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SD - 1

MR. MARSHALL:

'Newfoundland, which are in the order of \$7 million to \$8 million per annum. Indeed, under the terms of the contract, rather than correcting itself, this imbalance will over time increase to Quebec's advantage.

'As you may be aware, the Government of Newfoundland also entertained the option of seeking federal legislation to create some semblance of equity in the bargaining positions of the two provinces when the original contract was being drawn up in 1966. While both the government of Mr. Pearson and the government of Mr. Smallwood evidently thought that federal legislation was not an appropriate route to take at that time, it was a clear alternative, as the Supreme Court of Canada has now confirmed. Whether or not the onerous terms of the present contract could have been avoided by federal intervention in 1966 is a question which is best left to political columnists and historians; my main submission is that there was, and is, a crucial role which the Government of Canada can play in resolving this matter. We should not be left to face Quebec alone with this territorially derived monopoly.

'In view of this, we would appeal to you to now take steps to amend the National Energy Board Act, or whatever other legislative initiative is appropriate, to bring the Upper Churchill contract under the federal purview and to give the federal government the power, inter alia to set a reasonable price due to Newfoundland as the producer of power. As I understand it, there is ample precedent for such an initiative in the practice of the National Energy Board with respect to changes in the pricing and other provisions of interprovincial and international natural gas supply contracts. If necessary, we are, like Mr. Smallwood in 1966, prepared to support a declaration by the Parliament of Canada that the Upper Churchill Falls project, and

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MR. MARSHALL: related transmission facilities on both sides of the Quebec/Newfoundland border, constitute a work for the general advantage of Canada if it takes that to obtain a fair return to the people of this Province, provided, of course, certain safeguards relating to the effect of such a declaration on provincial resource management powers can be given by the Government of Canada. There is a critical need for the Government of Canada to exercise its legislative powers to rectify this patent injustice. The present taxation powers and recently passed enactment purporting to give the right to transmit power have no practical use or applicability to the present situation.

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MR. MARSHALL: 'I look forward to your reply in this regard and urge that speedy action be taken, as every day that the current situation remains unrectified, over \$2 million is being appropriated by Quebec in excess and unconscionable profits'.

That telex, as I say, is gone to the Prime Minister and is signed by the Premier. It has gone out today to the Prime Minister.

MR. NEARY: Mr. Speaker.

MR. SPEAKER(Russell): The hon. the Leader of the Opposition.

MR. NEARY: Mr. Speaker, I might say that the hon. gentleman did not do me the courtesy of letting me see the telex before he read it in the House. The hon. gentleman was on his feet reading the telex when the Page was bringing me over a copy so I did not have any advance notice. And it is very difficult for us on this side of the House to comment on these matters in any depth, Mr. Speaker, unless we have copies beforehand.

It seems to me that we have a new disease now in Newfoundland called 'ultra vires.' Everything now is ultra vires. The hon. gentlemen, they played the dangerous game of putting matters before the court, and then they gamble and they lose and everything is ultra vires, it is a new disease.

Mr. Speaker, it boggles the mind to, after listening to the hon. gentleman, realize that they are still at war. That telex that was just read by the hon. gentleman is a declaration of war against the Province of Quebec. Now, Mr. Speaker, if we are ever to get the Upper Churchill contract reopened, to get the hydro potential of Labrador, the Lower Churchill, the Muskrat Falls and the five rivers developed in Labrador, if we are ever to do that we need a certain amount of good will and we need the co-operation of the Province of Quebec.

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MR. NEARY: Now, the hon. gentleman does not elect to take that route and get back to the negotiating table; he, after failing in the Supreme Court of Canada, now calls upon the federal government to try to find ways and means to break the contract.

Mr. Speaker, the hon. gentleman knows in his heart that he is merely playing political games, that that has no chance of success at all, none at all.

MR. SIMMS: Did you read the ruling?

MR. NEARY: Mr. Speaker, I read the ruling.

MR. SIMMS: Everything?

MR. NEARY: No, not every little detail.

MR. SIMMS: Well, the feds were given it to read.

MR. NEARY: Mr. Speaker, if the hon. gentleman wants the Parliament of Canada or the Government of Canada to mediate in this dispute, then the hon. gentleman should start out by asking the Province of Quebec if they will agree to mediation. Mr. Speaker, the fact that this Province asked the government or the parliament of this country to intervene.- one party does not have any chance of success at all. If both

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MR. NEARY: parties approached the Parliament of Canada or the Government of Canada, then there would be a chance that it would succeed. By this Province continuing the battle of words, playing political games, making declarations of war, Mr. Speaker, will accomplish nothing. The only way that this matter will be resolved is at the negotiating table, and the hon. gentleman knows that, Mr. Speaker.

MR. SPEAKER (Russell): Order, please!
The time of the hon. the Leader of the Opposition has expired.

ORAL QUESTIONS

MR. NEARY: Mr. Speaker.

MR. SPEAKER: The hon. the Leader of the Opposition.

MR. NEARY: Mr. Speaker, I had a very interesting visit to Halifax, Nova Scotia, over the weekend and I saw the spinoff benefits to Halifax as a result of the offshore. I saw all the construction work that is going ahead and all the activity that is going on in Halifax, saw it all with my own eyes, Mr. Speaker. And I met an awful lot of Newfoundlanders going across on the ferry the other night to North Sydney. I met an awful lot of people in North Sydney and Sydney and down in Halifax, transplanted Newfoundlanders, former Newfoundlanders, Newfoundlanders who were travelling.

MR. SPEAKER: Order, please!
The Chair has listened for a while now to the hon. the Leader of the Opposition expound on certain things that are happening in Halifax, Nova Scotia. This is the Question Period and I would certainly like to have a question.

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MR. NEARY:

Well, Mr. Speaker, I could probably put it in the form of a question by asking the hon. gentleman is he aware of the embarrassment that the administration is causing to Newfoundlanders who live outside of the Province? The Premier is embarrassing these people. Every time he makes these irresponsible, off-the-cuff statements, Newfoundlanders are embarrassed, Mr. Speaker.

Now, let me ask the hon.

gentleman this: I also learned when I was in Halifax, Mr. Speaker, that there is no such thing as a secret letter. The hon. gentleman told this House last week there was a secret letter between the Government of Canada and the Government of Nova Scotia, amending the agreement with Nova Scotia, concerning a formula to change the phasing down of the equalization payments to that Province. Now, would the hon. gentleman tell the House if he had any -

MR. SIMMS: Who said there was a letter? I think he said he heard it.

MR. NEARY:

Yes, the hon. gentleman loves rumormongering. Mr. Speaker, let me ask the hon. gentleman, was he just starting a rumor himself? Did he have any reason for raising this matter in the first place, or is he just a natural rumormonger? Does he have any concrete evidence? Has he asked the Government of Canada to provide him with such a letter, if there is, indeed, such a letter, Mr. Speaker, or is it all in the hon. gentleman's devious mind?

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ah-1

MR.SPEAKER (Russell): The hon. President of the Council.

MR.MARSHALL: Mr. Speaker, the hon. gentleman is some one to talk about embarrassments! He hon. gentleman, I guarantee you, was an embarrassment the moment he went across the Gulf. I notice that the Liberal party is perpetrating in the party the same thing it does in government. For instance, you notice it has a meeting up in Halifax, so the hon. gentleman runs up to Halifax as being the capital of Newfoundland. And as for the spinoff

the hon.gentleman talks about, the hon. gentleman says he

saw it with his own eyes. Did he also see, Mr. Speaker, the report by COGLA - C-O-G-L-A, Canada Oil and Gaslands Administration, a federal organization, the one that has been given the powers by the federal government to conduct matters offshore East Coast Canada and all over the place, everywhere, and, for that report, they did an analysis, Mr. Speaker, of the spinoffs, even the spinoffs, and apart from there being another analysis by the federal government to show that that agreement brought negligible or no benefits to Nova Scotia, there was an internal report done by COGLA as to the spinoff benefits and, lo and behold, what did it reveal? Now take this in context, Mr. Speaker. You talk about rumormongering. Well, the hon. gentleman and his friend, Mr. Murphy, and his friend, Mrs Fagan, and all the rest of them were talking and shouting all the time and saying all the time that there were more spinoffs to Halifax, Nova Scotia, and trying to push us into this agreement that would give us small to negligible benefits which the Peckford administration

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MR. MARSHALL: will never sign. So what, lo and behold, did this report show? That despite the fact that this Province had no agreement there were more spinoff benefits in the Province of Newfoundland than there were in the province of Nova Scotia.

SOME HON. MEMBERS: Hear, hear!

MR. MARSHALL: Now what greater source or authority could the hon. gentleman wish than a report from the federal government? I mean, that is like the Koran or the Bible to the hon. gentleman, it is the Holy Writ to the hon. gentleman, and that report speaks for itself.

Mr. Speaker, I gave the reasons, I made the statement in the House and I stick by it. It was information that has come to me from an impeccable source. The hon. gentleman gets up in the House from time to time and indicates all sorts of things he has heard this and he has heard that. Now I have heard through some very high sources in the federal government that there was in fact a secret accord between the federal government and the province of Nova Scotia and it related to the equalization payments, and it related to the decrease in equalization payments being no more than 10 per cent per year. Now, as

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MR. MARSHALL: the hon. gentleman knows, under the present Fiscal Arrangements Act of Canada they do not decrease any more than 15 per cent per year. And it was 15 per cent per year that was represented to us by Mr. Chretien, when he was talking to us, as the appropriate means of decrease of equalization payments in the event that we had struck an accord or an agreement. It was also represented by Mr. Lalonde, when he signed the agreement with Nova Scotia, that what he forwarded to us constituted the entire agreement with the Province of Nova Scotia. And I say to the hon. gentleman, I say it again, it is my understanding that there was a secret accord between the hon. gentlemen. I think the member for Mount Scio (Mr. Barry) referred to it on April 10 or April 12 in the Question Period here in the House, that the equalization payments were going to be 10 per cent instead of 15 per cent, and that the Province of Nova Scotia was going to have an election to have this start anytime within three years of the development.

So I am only repeating, Mr. Speaker, what was told to me from a very reliable source, and it was also told from a very reliable source that this is going to find its ways into the legislation that is going to be brought before the Parliament of Canada. So we just watch and we will see the legislation now and see if it goes in.

In any event, Mr. Speaker, it was said not from the point of view of Nova Scotia, whatever they want to do with their own resources is their business, but it was said from the point of view that here was a secret accord. I point out again that good negotiations require good faith on both sides, and how can you accept the federal government

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NM - 2

MR. MARSHALL: as having acted in good faith if there was a secret accord and they were representing something else as being the agreement. So, you know, Mr. Speaker, that is a fact, and, that being a fact which will be borne out when the legislation comes in, if they still put it in the legislation now, Mr. Speaker, it just goes to show that the federal government was acting with the Province of Newfoundland in the offshore on a less than honest basis.

MR. SIMMS: Right on. Go home and do your homework, boy.

MR. SPEAKER (Russell): The hon. Leader of the Opposition.

MR. NEARY: We all heard the hon. gentleman's warped thinking on this particular matter, Mr. Speaker. The hon. gentleman gets up and says that he heard this from an impeccable source, a high source, he says, in the Government of Canada. Is the hon. gentleman prepared to name that source in this hon. House, Mr. Speaker, or is it a figment of the hon. gentleman's imagination? Because Premier Buchannan says in today's Telegram that he is unaware of any secret letter.

MR. SIMMS: Since when did you believe everything he says?

MR. NEARY: Mr. Speaker, their Tory counterpart in the -

MR. SIMMS: Ask Sandy Cameron.

MR. NEARY: Yes.

MR. SIMMS: What did Sandy say?

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NM - 3

MR. NEARY:

I spent some time with
Mr. Cameron the other day and he says they know
nothing of a secret letter. Mr. Speaker, then
the hon. gentleman after getting up and starting this
rumour himself - just listen to his strategy: -

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MJ - 1

MR. NEARY:

he says, 'How can you act in good faith with a government that would do this?' Now the hon. gentleman does not know if it is done yet or not, he does not know if there is a letter, he does not know if there is an accord, the hon. gentleman is just spreading gossip and rumour. Now would the hon. gentleman care to name his high source, Mr. Speaker, in the Government of Canada? Would the hon. gentleman indicate to the House what steps he has taken - has he taken any measures or any steps? - to locate this so called secret letter, to get this amendment to the Nova Scotia agreement? Has he been in touch with the Government of Canada? Has he been in touch with Mr. Chretien's office or the Prime Minister's office? Has he been in touch Premier's Buchanan's office? Because I am sure the hon. gentleman has a pipeline into Mr. Buchanan's office because, after all, he is a Tory Premier of Nova Scotia and surely they are on talking terms, Mr. Speaker? Now, would the hon. gentleman tell the House what steps they have taken to find out if there is any foundation to this or is the hon. gentleman just prepared to act on heresay and gossip and keep spreading the rumour and then using it to his advantage and say, 'How can you deal with a government that makes secret agreements, makes an accord with the Government of Nova Scotia' when in fact we do not know if that is true or not?

MR. SPEAKER (Russell): The hon. the President of the Council.

MR. MARSHALL: Mr. Speaker, listen to the man who feeds on rumours! He comes in here and gives all sorts of rumours every day and he does not name the sources. I have at least defined the source as being a source in the Government of Canada but I want that source to remain a resource of mine so, Mr. Speaker, contrary to the hon.

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MJ - 2

MR. MARSHALL: gentleman's desires, I am not going to reveal that source now. So, you know, that is the response. I could state as an aside that I try to answer the hon. gentleman directly as much as I can, to treat his questions seriously, to be as nice with him as we possibly can, But I must say it is very difficult, Mr. Speaker, particularly nowadays at this point of time, this past week, when we see the Province of Newfoundland being roasted once again by a mistake of the Smallwood administration, in that reversion case, in our efforts to get out of it, to take seriously questions asked, as I indicated the other day when he was not in the House I styled his seat mate across the aisle, and it is a fact, that the member

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MR. MARSHALL:

for the Strait of Belle Isle (Mr. Roberts) and the member for LaPoile (Mr. Neary), in this day and age when we are being roasted as a result of a mistake of the Smallwood administration, that they are the two remaining rump roasts of the Smallwood administration here in this House, Mr. Speaker, and it is pretty difficult taking questions seriously from the hon. gentleman when he has participated in so many mistakes in this Province while he was in government.

MR. NEARY:

Mr. Speaker.

MR. SPEAKER (Russell):

The hon. the Leader of the Opposition.

MR. NEARY:

Of course, the hon.

gentleman is trying to divert from the issue again by using his usual strategy of going on the personal attack. The hon. gentleman, Mr. Speaker, when he cannot answer a question tries to personally attack, squirt his poison across the House to try to divert from the real issue. And the real issue here, what we are asking the hon. gentleman to tell the House, is there a letter, is there an accord, or is it a figment of the hon. gentleman's imagination? That is what we are asking the hon. gentleman. What efforts have the administration there opposite made to get a copy of this letter to find out if there is any truth to it?

Now, Mr. Speaker, there is a big difference in Opposition taking a shot in the dark in asking questions, but the hon. gentleman is speaking for the administration and he should not be rumourmongering, starting rumours himself. He made a statement, and the hon. gentleman should be prepared to back it up. The people have a right to know, this House has a right to know. Has the hon. gentleman been in touch with anybody in the Prime Minister's office, or the hon. Jean Chretien's office to find out if indeed this is true, or if it is false? Or is it just the

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MR. NEARY: The hon. gentleman's warped and devious mind at work again.

MR. MARSHALL: Mr. Speaker.

MR. SPEAKER(Russell): The hon. the President of the Council.

MR. MARSHALL: Mr. Speaker, I can guarantee the hon. gentleman that it is not my warped and devious mind. I have responded to the hon. gentleman and I have given what I consider to be a full and sufficient answer.

MR. WARREN: Mr. Speaker.

MR. SPEAKER: The hon. the member for Torngat Mountains.

MR. WARREN: Mr. Speaker, I have a question for the hon. the Minister of Municipal Affairs (Mrs. Newhook). I understand that sometime ago the minister's deputy attended a meeting in Hopedale concerning the relocation of the community of Hopedale. Recently, within the past couple of days, the minister has received a telegram, of which I have a copy and which I am satisfied to place on the table, saying that on April 30 another vote was taken in Hopedale, where 146 voters turned out, and again over 60 per cent of the people in Hopedale want to relocate.

Now, Mr. Speaker, I would like to ask the minister with the council saying on the one hand that they want Hopedale to remain in its present location, and the people in Hopedale, after the council

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Tape No. 1339

SD - 1

MR. WARREN:

called the meeting, at the meeting over 60 per cent voted in favour of relocation, could the minister advise the hon. House which direction she will follow?

MR. SPEAKER (Russell): The hon. Minister of Municipal Affairs.

MRS. NEWHOOK: Mr. Speaker, it is quite true that we do have the council in Hopedale who are wishing to remain in Hopedale, that they are against relocation, and we do have a majority of people in Hopedale who are asking to be relocated. And we have received the message the same as my colleague there has just mentioned. What we will have to do now, of course, is to put together all of this information and prepare a brief to Cabinet, I guess, to see which direction Cabinet wishes to take. It will be a government decision, not a departmental one.

MR. WARREN: Mr. Speaker.

MR. SPEAKER: The hon. member for Torngat Mountains.

MR. WARREN: Mr. Speaker, I thank the minister most kindly for her answer. In fact, it does put Hopedale once again in Limbo, because if we do not receive an answer one way or the other soon it is going to mean that we will see another year, like last year, with no construction in housing, no water and sewerage construction and other government services. So I would ask the minister to seriously move as fast as she can to try to get her request to Cabinet so that an answer can be given to the people of Hopedale as fast as possible.

MR. SPEAKER: The hon. Minister of Municipal Affairs.

MRS. NEWHOOK: Mr. Speaker, we are in the process of doing that right now. There is quite a bit of information that will have to be contained in this paper and it may take several weeks or more to put it together.

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SD - 2

MR. NEARY:

Mr. Speaker.

MR. SPEAKER (Russell):

The hon. Leader of the Opposition.

MR. NEARY:

Mr. Speaker, we note again today that the Premier and several ministers, I do not know how many - eight or ten minister - are absent from the House and we have a whole raft of questions to ask the Premier and the ministers, especially the Minister of Fisheries (Mr. Morgan) on pressing matters. Could the hon. gentleman tell the House when we can expect to have the Premier and the ministers back in their seats so we can get some answers for the fishermen in this Province? No answer.

Mr. Speaker, would the hon.

gentleman care to tell us if the member for Menihek (Mr. Walsh) has passed in his resignation now that he has been nominated for the federal riding of Grand Falls - White Bay - Labrador? Mr. Speaker, is the hon. gentleman going to tender his resignation or is he going to try to keep a foot in

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Tape 1340

PK - 1

MR. NEARY:

both levels of government? Is he going to keep his one foot in provincial politics and one foot in federal politics, Mr. Speaker? Could the hon. gentleman tell the House if the resignation has been received and, if so, when we can expect a by-election in Menihek?

MR. SPEAKER (Russell):

The hon. President of the Council.

MR. MARSHALL:

Mr. Speaker, I wonder would the hon. gentleman tell me when the member for Grand Falls-White Bay-Labrador (Mr. Rompkey) is going to resign because he is running in the election or when he is going to resign anyway because of his lack of representation of the people of this Province?

SOME HON. MEMBERS:

Hear, hear!

MR. SPEAKER:

The hon. Leader of the Opposition.

MR. NEARY :

That is an answer. That is some answer. It just goes to show you how arrogant the administration has become, ignorant and arrogant. Now, Mr. Speaker, I have to ask the hon. gentleman again, would the hon. gentleman tell the House if it is the policy now of the administration there opposite to have their members serve two masters? And if it is, could the hon. gentleman tell the House how he expects the member for Menihek (Mr. Walsh) to look after the urgent and pressing public problems in that part of Labrador while he is campaigning for the federal election, Mr. Speaker? Could the hon. gentleman tell the House, honestly, man-fashion, whether or not he thinks the hon. member can serve two masters or will he be asked to turn in his badge so that we can have a by-election in the district of Menihek and let the people down there decide who they want to represent them in this House of Assembly in the

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Tape 1340

PK - 2

MR. NEARY: future?

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

MR. MARSHALL: The hon. member for Menihek first of all will act in accordance with the laws that apply from time to time, the same way as, I believe, Mr. Jamieson did when he ran; if my memory serves me correctly, I do not remember him resigning immediately. As for the hon. member's ability, the hon. member for Menihek (Mr. Walsh) has consummate ability. I am sure the hon. member for Menihek, because he has represented Menihek so well, will be greeted by the rest of the district of Grand Falls-White Bay-Labrador, that his reputation has proceeded him —

SOME HON. MEMBERS: Hear, hear!

MR. MARSHALL: - and I am quite sure that it goes way beyond the boundaries.

MR. SIMMS: Call the election quick.

MR. MARSHALL: Now, I understand that hon. gentleman is very frightened and he is very concerned and consumed with his concern over the outcome of the federal election. He is showing it by his questions here today.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. Leader of the Opposition.

MR. NEARY: Oh, yes, Mr. Speaker! According to the Gallup Poll that was released last week we are running scared! Mr. Speaker, perhaps the hon. gentleman could tell the House if the Premier plans a snap election? Is he going to call a snap election rather than have a by-election in the district of Menihek because of all of the failures and because of the chaotic state of the Newfoundland economy and because of the chaos in the fishing industry?

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

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Tape 1341

EC - 1

MR. SPEAKER (Russell): The hon. the Leader of the Opposition (Mr. Neary) is proceeding to give his reasons as to why something, perhaps, should happen, but the purpose of the Question Period is to seek information, not to give it out, and I would ask him to pose a question.

MR. NEARY: Well, Mr. Speaker, perhaps the hon. gentleman could tell us whether or not, because the Province is falling apart, if the Premier will be calling a snap election in the future rather than have a number of by-elections? Will the hon. gentleman be calling a snap election to give the Newfoundland and Labrador people a chance to get back to the ballot box, Mr. Speaker, so they can remedy the horrible state of politics in this Province as a result of the April 6, 1982 general election?

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

MR. MARSHALL: We have great quality in the Question Period today, Mr. Speaker! I dare say that if the hon. the Premier were going to call a snap election, and he announced it beforehand, it would not be a snap election. So I do not see, Mr. Speaker, how I can respond to that. All I can say is that the hon. gentleman should quiver and quake in his shoes because in this House of Assembly today, he is the one sitting here with the lowest majority, and the events of the past week particularly have indicated to us very forcibly the support that we have in this Province. So I can understand why the hon. gentleman is worried about snap elections. He should well be worried about snap elections, Mr. Speaker.

MR. SIMMS: Tell him we are all asking the Premier to.

MR. WARREN: Mr. Speaker.

MR. SPEAKER: The hon. the member for Torngat Mountains.

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Tape 1341

EC - 2

MR. WARREN: Mr. Speaker, I have a question for the Minister of Social Services.

SOME HON. MEMBERS: Hear, hear!

MR. WARREN: Some time ago I asked the minister several questions concerning the dismissal of the four social workers in Labrador. I understand that on April 11 the minister was written a letter signed by the Band Council and councillors of the community of Davis Inlet, asking the minister would he consider going into Davis Inlet and seeing first-hand the effect on Native people there of the decision made by his department. Has the minister considered responding favourably to the Band Council of Davis Inlet in this respect?

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Tape No. 1342

SD - 1

MR. SPEAKER (Russell): The hon. Minister of Social Services.

MR. HICKEY: Mr. Speaker, I have received a communication inviting me to visit Davis Inlet regarding this matter and I have responded to the people there that I saw no purpose in visiting Davis Inlet for the purpose as outlined, it would not achieve anything. I do not have to go to Davis Inlet to be aware of the services which are required, nor do I have to go to determine the impact on the dismissal of the person who was working in Davis Inlet. My visiting there does not produce a replacement. The important thing is that a replacement be found and the important thing is that the all embracing services, which are available by my department, be accurately and adequately applied to the people of Davis Inlet which they were not by the person who occupied that position before. She had two options, other than the one that the fuss was kicked up about, and she did not take advantage of those two options, so the answer to the problem in Davis Inlet is obviously to find someone who will take those two options and fill a need if it is identified and treat each case on an individual basis. And I do not have to go to Davis Inlet to cure that problem because it does not exist.

MR. WARREN: Mr. Speaker.

MR. SPEAKER: The hon. member for Torngat Mountains.

MR. WARREN: Mr. Speaker, a supplementary to the minister. Does the minister believe what the Band Council that said in a communication to him that the policy of his department now is causing considerable hardship to the people in Davis Inlet? Does the minister believe the contents of that communication?

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

MR. HICKEY: I do not believe, Mr. Speaker, that the policies of my department are causing any hardship for the people of Davis Inlet, the people of Sheahatshit, the people of Conne River or the people of any other part of the

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SD - 2

MR. HICKEY: Province. We cannot be the end all and be all to all ills. We have never claimed to be. The social assistance programme was never meant to be. There are a number of ways and means to alleviate want and distress throughout this Province. This administration through my department have gone a long, long way in acknowledging the unique situation with regards to Native people in this Province. We have tailored policies

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MR. HICKEY:

specifically to respond to the needs of Native people in this Province, and if we have in our employ some social workers who just want to stand on their hind legs, so to speak, and say, We are going to run the department, and we are not going to implement policy two and three because we want you to change number one, and we want to do it all under number one, and we want to ignore policy two and three - I am sorry. There has to be someone in command of the ship and, obviously, it was not the person up in Sheshatshit, he is here in St. John's.

MR. WARREN:

Mr. Speaker, a supplementary.

MR. SPEAKER(Russell):

The hon. the member for Torngat Mountains.

MR. WARREN:

Apparently there is no one in command of the ship at the present time, including the minister. I believe that the minister is not doing his duty, furthermore, since this fiasco started nearly two months ago, and the minister still does not have a replacement for not only one but the three social workers who were on the Labrador coast. Could the minister advise the hon. House if he has decided to transfer some of the other social workers from throughout the Province? For example, I am sure that there are enough social workers here in the City of St. John's for the minister to be able to dispatch some to Davis Inlet and Nain where there are no social workers.

Why does the minister not make sure that all people in this Province are treated equally by his department?

MR. SPEAKER:

The hon. the Minister of Social Services.

MR. HICKEY:

Mr. Speaker, if I were to dispatch, to use the hon. gentleman's word, three social

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MR. HICKEY: workers from St. John's to Sheshatshit and Davis Inlet, the first thing the hon. gentleman would be jumping up in the House and telling me that I am arrogant, that I am running roughshod over my staff, that I am breaching the wage and working agreement, that I am invading their human rights and all other kinds of rights, and he would be having great things to say about that.

The fact of the matter is that this minister does not have the same flexibility that ministers used to have before there was a wage and working agreement. We brought freedom to the people of this Province, including social workers. They have a wage and working agreement now in the public service, as it applies to social workers, and I do not have the prerogative to send them hither, and thither and yon all over the Province.

Mr. Speaker, let me tell the hon. gentleman, however, that contrary to what he tells the House, almost at the same moment that we received the unfortunate decision from those four people,

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Tape No. 1344

MJ - 1

MR. HICKEY: that they were not going to comply and enforce the law of this Province, almost simultaneously arrangements were made to assign other of my staff to fill those positions and to service those people. So there has been no lacking of service, nothing in that regard and to the best of my knowledge recruitment is going on to replace him on a full time basis.

MR. NEARY: Mr. Speaker.

MR. SPEAKER (Russell): The hon. the Leader of the Opposition.

MR. NEARY: Mr. Speaker, I would like to put a question to the Government House Leader (Mr. Marshall) in the absence of the hon. the Premier. I would like to ask the hon. gentleman, last week the hon. the member for Conception Bay South (Mr. Butt) made statements in this House that have upset the Newfoundland Teachers' Association, Mr. Speaker, accusing the Newfoundland Teachers' Association of all kinds of wrongdoing because they want to take political action. Now, Mr. Speaker, would the hon. the Government House Leader inform this House if the member for Conception Bay South was stating the policy of the administration there opposite or was he merely expressing a personal viewpoint, a personal opinion? Would the hon. gentleman give the House that information?

SOME HON. MEMBERS: That was answered.

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

MR. MARSHALL: Just so the hon. gentleman's information can be complete, earlier in the Question Period I referred to the member for Mount Scio (Mr. Barry). If he wishes to refer to the date of April 12, 1984, tape 936, it was the member for Mount Scio who said, "The statement made by Mr. Chretien, to which my colleague from LaPoile (Mr. Neary) alluded, refers to the

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MJ- 2

MR. MARSHALL: fact that there is a special agreement on equalization."

SOME HON. MEMBERS: Good answer.

MR. MARSHALL: I can say to the hon. gentleman there opposite, Mr. Speaker, that that was answered fully and sufficiently by the Premier on Friday, and I refer it to him.

No, it was not.

MR. MARSHALL: Oh, yes it was, very fully.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER (Russell): Order, please!

The time for the Question Period has expired.

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Tape 1345

EC - 1

ANSWERS TO QUESTIONS FOR WHICH NOTICE HAS BEEN GIVEN

DR. COLLINS: Mr. Speaker.

MR. SPEAKER (Russell): The hon. the Minister of Finance.

DR. COLLINS: Mr. Speaker, two answers to questions: Question No. 38, asked by the hon. the Leader of the Opposition (Mr. Neary), hon. members will remember, regarding the details about a certain guarantee given to two worthy fishermen. The hon. the Leader of the Opposition wished to know all sorts of things, almost down to the colour of their eyes and so on. All the information is here now.

The next one is question No. 44, asked by the hon. the member for Port au Port (Mr. Hodder) regarding details of retail sales tax collection since March of last year, and details are also supplied here.

ORDERS OF THE DAY

MR. MARSHALL: Motion 1.

MR. SPEAKER: Motion 1 is the Address in Reply to the Budget Speech, which I think was adjourned last day by the hon. the member for Bellevue.

MR. CALLAN: Thank you, Mr. Speaker.

Mr. Speaker, when I stood to adjourn the debate one day last week, we had had a couple of days subsequently where, of course, we were on legislation, and three minutes ago I asked the Government House Leader (Mr. Marshall) what we were on today and he said, legislation; but we are not on legislation at all, we are on the Budget Debate. I had no idea in the world, of course, that the budget was coming up again today. We are supposed to be on legislation.

MR. NEARY: They do not know what they are doing.

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Tape 1345

EC - 2

MR. CALLAN: I thank the Government House Leader (Mr. Marshall) for his courtesy and his co-operation that he extended to me in this regard and for, of course, letting me know where we are today.

But, Mr. Speaker, whether we are on legislation or whether we are on the Budget Debate does not really matter. What I was doing on Friday, I will continue with today.

MR. NEARY: Good! Carry on!

MR. CALLAN: We were on a money bill on Friday and that was wide-ranging. Today we are into the Budget Debate and, of course, that also is wide-ranging.

On Friday, Mr. Speaker, I alluded on several occasions to the infamous Five Year Plan that this government drew up in 1979, Five Year Plan - Managing All Our Resources. I alluded, Mr. Speaker, to several things, the hopes and the aspirations of this government in 1979 when the present Premier came to power and what this government

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Tape No. 1346

ah-1

MR. CALLAN:

hoped to accomplish in the next five years. And on Friday, Mr. Speaker, I went down through at least the three most important matters, the outlook for the policy of this government. And, of course, the first thing that was mentioned here, Mr. Speaker, was the fishery and where this government hoped to go in the subsequent five years from 1979 up to 1984-85. Now where has the government gone, Mr. Speaker? We have seen the squabbles and we have heard the arguments, the Premier and the present Minister of Fisheries (Mr. Morgan) arguing with Nova Scotia that these cod are ours and they are not yours. And, of course, we have heard the counter arguments that cod fish do not have any name tags on them, they swim in waters openly and freely. And, of course, Mr. Speaker, it was also during that same period of time that we had the infamous battle between the Premier and the then federal Fisheries Minister, the hon. James McGrath. The Premier even refused to talk to James McGrath, Mr. Speaker. He is quoted as saying that Romeo LeBlanc was a better Fisheries Minister than the hon. James McGrath. And he said, I do not intend to talk to the hon. James McGrath. My discussions are carried on first minister to first minister, so I will not be bothered talking to the hon. James McGrath about the policies emanating from Ottawa, and, of course, how they were at odds with policies put forward by this government here in this Province. First minister to first minister: I will only negotiate with the Prime Minister of that day, up until February 18, 1980, of course, the hon. Joe Clark.

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ah-2

MR. CALLAN: And on page 150, Mr. Speaker, of the Five Year Plan, and I quote, "Therefore the cornerstone of the provincial development policy is to obtain a meaningful role in the management and control of fisheries." That was 1979-80. What has transpired since, Mr. Speaker? Let me repeat it, "The cornerstone of the provincial development policy is to obtain a meaningful role in the management and control of the fisheries." Why? "So that the interest of these communities"- and there are 730 throughout the Province. The member for Placentia (Mr. Patterson) added on one Friday, he thought that Merasheen had been resettled. "So that the interest of these communities will be protected and the fishery developed to their maximum benefit." What has transpired? What has been the fulfillment of the last four or five years of this government's labours, Mr. Speaker? The answer, of course, is very little of anything. We saw, of course, what the federal government did under the restructuring policy and the millions and millions of dollars that the federal government have poured into the new company,

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Tape 1347

NM - 1

MR. CALLAN: Fishery Products International.
But anyway, Mr. Speaker, so it is with the fishery.

'The second major objective of provincial development policy' - and the Leader of the Opposition (Mr. Neary) will be very interested to recall this, I am sure, in the Five Year Plan; he was not here on Friday, but he will be very interested - 'The second major objective of provincial development policy is to obtain access to Churchill Falls power, which is being sold to Quebec under a long term fixed price contract. Transmission of this power to the Island is by far the most attractive option to meet domestic need, but the recall provision is for only 300 megawatts. In addition, Newfoundland must obtain a fair price for the energy being sold to Quebec.' Where is that dilemma today, Mr. Speaker? Where was it on Friday? Where was it on Thursday past when the court decision came down from Ottawa?

The government, Mr. Speaker, has failed. Once again we have the case of two roads, as Robert Frost once wrote, "Two roads diverged in a wood", and, of course, the Premier and his administration, they took the one less travelled by.' And to quote the Minister of Energy in Quebec, on national television he said, "The last place you go with any problem is to the courts." But what did this government do, Mr. Speaker?

MR. NEARY: The first place they went.

MR. CALLAN: That is the first place they went. That is where they went, to the courts. And they lost.

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Tape 1347

NM - 2

MR. CALLAN: And, of course, the second part of that says, "A second major energy" - dealing with the energy thing - . A second major objective is to develop all or part of the 2,300 megawatt capacity of the Lower Churchill." And what is happening to that? Where is that today, in 1984, Mr. Speaker? Where is it? We are no further ahead now than we were in 1979. What did it hinge on? What was one of the things that it hinged on, Mr. Speaker? It said, "The development of that Lower Churchill would be aided by the attraction of a heavy industrial user of energy to Labrador," a direct reference to the proposed aluminum smelter, the one that was talked about back before J.R. Smallwood went out of power in 1971, the one that was talked about fourteen or fifteen years ago, and the one that is being talked about by this government, and the government headed by Frank Moores from 1972 onward. Where is that today? Where is the aluminum smelter today? Still no aluminum smelter, still no heavy industrial user of energy in Labrador or in the Bay of Islands or anywhere else in this Province. So that is what happened to that one, Mr. Speaker. That is two, the fishery, nothing, and of course energy, the Upper and the Lower Churchill, nothing.

With respect to offshore, and the Leader of the Opposition (Mr. Neary) again will be interested in this one, on page 150 of the Five Year Plan, "With respect to offshore oil and gas," this is the third one, "there is a strong possibility that a commercial find has been made." This was back in 1979. Now, of course, we know that it is a fact of life. "For the Province, the key issue now is jurisdiction."

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Tape 1348

PK - 1

MR. CALLAN: For the Province, the key issue now, in 1979-1980, is jurisdiction. 'The Province maintains that it has ownership of such resources and is entitled to develop and manage them under its terms and conditions.'

MR. TULK: Do you know what the real problem is? They never did have them.

MR. CALLAN: 'Challenges to our ownership of the Continental Shelf must be removed.' That is what they say. And it is in a different type altogether. It is highlighted by the fact that it is in a different type. 'Challenges to our ownership of the Continental Shelf must be removed'. Let me ask members opposite, on the government benches, what is the status of that one today? Have these challenges to the ownership of the Continental Shelf been removed? No, Mr. Speaker, the last place you go, said the Minister of Energy in Quebec, with a problem is to the court. Of course, we know that this Province went to court regarding the Upper Churchill and now again, of course, exactly where they went after winning an election on it, killing two birds with the one stone, win an election and, of course, going to the court, have these challenges to ownership been renewed? Of course not, Mr. Speaker. The case was lost again in both courts this time, the Supreme Court of Newfoundland, the Appeal Court, and of course the Supreme Court of Canada.

So these are the accomplishments, Mr. Speaker, of this administration. And that is why, Mr. Speaker, that budget was brought down by the Finance Minister (Dr. Collins) a month or so ago, and that is why on Friday we were talking about borrowing \$220 million, that is why, because in the three most important elements in our economy nothing has happened, nothing positive has happened, I should say, nothing positive has happened. Things have happened but they have been all negative. Fighting and fussing and rowing with Nova Scotia and with the federal government of Joe

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PK - 2

MR. CALLAN:

rowing with Nova Scotia and with the federal government of Joe Clark and , of course, the federal government, again, of Trudeau over the fishery, nothing happened. Fussing with Quebec over the Upper Churchill, and nothing happened. Talking about getting a heavy industrial user for power generated by the Lower Churchill but not doing anything about it, nothing happening. And , of course, the third one, the offshore oil and gas dispute, a running battle with Ottawa. The Tories in Nova Scotia are stupid is what the Premier and the Minister of Energy, the Government House Leader (Mr. Marshall), have been saying, in essence, John Buchanan, the Premier of Nova Scotia, and the Tory Government of Nova Scotia were stupid to sign that agreement. We would never sign such an agreement.

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Tape No. 1349

SD - 1

MR. CALLAN: That is what they have been saying. The reference, the inference is there. It is obvious. So that is the short and the long of it.

Mr. Speaker, while we are on this and, of course, on a separate page in this book, it is pointed out quite clearly, you know, what role these things play - the fishery and, of course, mining, hydro and the possibility of offshore oil and gas. It is all listed here and I cannot find it at the moment. But, Mr. Speaker, I believe and I think this is borne out, and this has been said before but I will repeat it, that this government is so obsessed, this government, Mr. Speaker, has been so obsessed in the last five years with talk and rhetoric and bickering and fighting about offshore oil and gas that practically everything else has gone by the boards. On page 103, Mr. Speaker, of this Five Year Plan, Managing all our Resources, and the minister is in his seat, the Minister of Rural, Agricultural and Northern Development (Mr. Goudie) - three portfolios in one, I think, Mr. Speaker. If the Premier really wanted to do something a couple of years ago when he made the member for St. John's West (Mr. Barrett) an over-paid secretary, or half a Cabinet Minister or whatever you want to call it, if the Premier had really wanted to do something, what he would have done was taken the portfolio of Rural Development. There are lots of problems out in rural Newfoundland and the Rural Development Agreement and all of these things, it is a full-time job for one Cabinet Minister just to deal with that alone. At least, Mr. Speaker, that minister would have a handle on his department because he would be dealing with one aspect, one item, rural development. But no, Mr. Speaker, we have rural development, we have agricultural development and we have Northern development. The three of them taken separately would be Cabinet posts, not the three lumped together. Let us look

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SD - 2

MR. CALLAN: at agriculture. I do not think we have to talk too much, Mr. Speaker, and I can spend an hour on it for that matter, talking about how rural Newfoundland is not being developed and, of course, the Rural Development Agreements still not signed and, of course, the development of Labrador, Northern Development. Why is there not an aluminum smelter under construction this very day? Why not? But what I want to talk about for a few more minutes, Mr. Speaker, is page 103, agriculture. Now what emphasis and how much time does the present Minister of Rural, Agricultural and Northern Development (Mr. Goudie) have for it. I wonder if he spends one-third of his time dealing with that aspect of his department and another one-third for

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MR. CALLAN:

Rural Development, and another one-third for Northern Development? I wonder is that how his time is divided? Let us look at page 103. Let us see how much emphasis is being placed on agriculture in this Province, and let us see what the targets are, and let us see where we are going. 'We all realize that the Province of Newfoundland does not have an overabundance of suitable agricultural soil.' We know that, but, and it says that there on page 103 or 104, I am not sure. I remember reading it there somewhere. But let us look at root crops: In 1978 31.3 million pounds. 'Per cent of local consumption, 31.3 million pounds.' In 1985 what is it going to be? In 1985 there will be 44.7 millions of pounds. But what will be the per cent of local consumption? - 40 million pounds. It is going to drop. Rather than increasing, we are told in their projection, and I suppose we were forewarned, that there was going to be less emphasis placed on agricultural development because it is going to drop.

Let us look at chicken and fowl. It is only a couple of weeks ago that I heard from one of the chicken farmers out in Whitbourne, and there are several in that area, and he was complaining, and the minister who is in his seat knows what they are complaining about, they were not getting enough money for the cost of production, and chicken being brought in from other provinces to supply Mary Brown and Kentucky Fried, and the McNuggets, I suppose, of MacDonald's.

Now, then, millions of pounds, 7.6; per cent of local consumption, 49 per cent. But that was in 1978, Mr. Speaker. In 1985, 12 million pounds, per cent of local consumption, 65 per cent. Why is it not 100 per cent? Does that have anything to do with the rocks and the soil and the trees that we have in this Province? Can we in this Province not find locations where

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MR. CALLAN:

we can build henhouses
to produce enough chicken and fowl?

I was in Winnipeg last
Summer, and the Speaker, who is not in the Chair now,
was there as well, at the same conference, and we went
out and we visited some turkey farms which had thousands of
birds, thousands of them. Why are we not producing these
fowl in this Province? Does it have to do with our soil?
Of course not, we are not talking about root crops, we
are talking about chicken and fowl.

Here is a good one, Mr.

Speaker;

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Tape No. 1351

MJ - 1

MR. CALLAN: 4.6 million pounds pork, pigs - Miss Piggy and all the others - 4.6 million pounds. Per cent of local consumption 18 per cent. That was in 1978. What is it going to be in 1985 according to these projections? For pork there will be 9 million pounds produced in the Province, but that will only be 35 per cent. It is hog but it is not hogwash, I can tell you that. Why is it only 35 per cent of local consumption produced in this Province for pork? Why? We have our own abattoir. I believe we have two, do we not? We have one down in Pleasantville. Do we have another abattoir on the West Coast now, I ask the minister? Do we not have two abattoirs now, one in here and one in Corner Brook that was built last year or something?

MR. GOUDIE: Several years ago.

MR. CALLAN: Several years ago? I do not think it was all that many years ago but that is fine, at least we have two abattoirs. Perhaps we should have three or four, perhaps we should have one in Central Newfoundland. Why is it that we are only targeting to produce 35 per cent of the pork that we consume in this Province?

MR. GOUDIE: It has nothing to do with abattoirs.

MR. CALLAN: Okay, then. What does it have to do with?

MR. GOUDIE: I will tell you when the time comes.

MR. CALLAN: That is good. But if you think that one is startling, as I do, Mr. Speaker - the per cent of pork that is consumed and that is produced in this Province - if that is shocking, only 35 per cent is produced in this Province, the other 65 per cent is brought in from everywhere else, if you think that is startling, let us look, Mr. Speaker, at the next one, other meat. Let us take away the chicken and the fowl and let us take away the pork; other meat, let us look at other meat.

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Tape No. 1351

MJ - 2

MR. STAGG:

You can put a chicken in every pot.

MR. CALLAN:

"The Stag at Eve" has interrupted again.

In 1978, other meat in millions of pounds, 1 million pounds was produced in this Province in 1978. What per cent of local consumption was that? It was a startling 3 per cent. Okay, then, that was 1978. What is the projection for 1985? One point one million pounds is the projection. And what per cent of local consumption will that be? It will not rise one iota, Mr. Speaker. It was only 3 per cent of local consumption in 1978 and in 1985 there will still be only 3 per cent. Why is it? Why are we not putting Newfoundlanders to work here, the Newfoundlanders who are walking the streets, living off borrowed money from their grandparents' old age pensioners cheque or spouses allowance, or living off their parents? Of course, they are going out and spending their money in the beer taverns. Only 3 per cent. Of course, we know and the minister knows and we all know about the cattle farm down on the Burin Peninsula that failed because of so much rustling. Just because one experiment failed, is that any reason why we should abandon all attempts at other experiments?

MR. CARTER:

They were neglected and starved.

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Tape 1352

EC - 1

MR. PATTERSON:

What was that, the Flying L?

MR. CALLAN:

name of the ranch.

Was it? I am not sure of the

MR. PATTERSON:

The Flying L Ranch.

MR. CARTER:

to death.

They starved. They froze

MR. CALLAN:

an experiment. Why did it fail?

Well, what was wrong? It was

MR. PATTERSON:

was in it.

In effect, because Smallwood

MR. CALLAN:

administration of twelve or thirteen years now -

Okay, then. Does that give this

MR. PATTERSON:

the road.

They herded the cattle down there

MR. CALLAN:

serious.

Let us be serious. I want to be

MR. PATTERSON:

I was down there and saw it.

Well, boy, that is serious. I know

MR. CALLAN:

3 per cent of the meat that is consumed in this Province.

Okay, if at first you do not

MR. MATTHEWS:

There is lots of manure around!

The manure is all on that side!

MR. CALLAN:

opposite deal with serious questions.

Do you see, Mr. Speaker, the

MR. PATTERSON:

That is not a serious question.

MR. CALLAN:

place to other things that are happening here?

Of course it is! Why should

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Tape 1352

EC - 2

MR. YOUNG:

This government spent more money on agriculture in one year than Joey did all the time he was Premier.

MR. CALLAN:

Why is it though that we are not producing? I mean, we are on an island, and that has its disadvantages, and I am not suggesting that we should be self-sufficient in root crops or chicken and fowl or blueberries and pork. I am not suggesting that we should be self-sufficient.

Now, Mr. Speaker, let us look at eggs. I wish I had some eggs here now, Mr. Speaker, I wish I had some rotten eggs now!

But here is an example of what can happen: Eggs - 14.2 million pounds of eggs in 1978 and what was the percentage of local consumption? - 95 million pounds.

Now, then, in 1985 there will be 15 million pounds consumed and again, what will be the percentage of local consumption? - 95 million pounds. If it can be done for eggs, why can it not be done for meat and pork? Milk - what is going to happen to milk? 17.6 million pounds of milk in 1978, that is 59 per cent of local consumption, but is that going to go up, seventy, eighty, ninety? No, Mr. Speaker. In 1985 there will be 25 million pounds of milk consumed but the percentage of local consumption, from 59 per cent in 1978, is dropping down to 50 per cent. Why is it? With J. L. Kelsey and all the other people who produce milk in this Province, why is it that it is going to drop? Why can we not be self-sufficient in our production of milk?

MR. SPEAKER (Dr. McNicholas): Order, please!

The hon. member's time has elapsed.

MR. CALLAN:

My time has expired?

SOME HON. MEMBERS:

By leave.

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Tape 1352

EC - 3

MR. CALLAN: No, Mr. Speaker, we were supposed to be on legislation. I will get back to it some other time.

MR. STAGG: Mr. Speaker.

MR. SPEAKER (Dr. McNicholas): The hon. the member for Stephenville.

MR. STAGG: Thank you very much,
Mr. Speaker.

Now, Mr. Speaker, this is the Budget Debate, and the Budget Debate operates on similar rules to the Throne Speech Debate in that there are certain premises which have to be dealt with before the Province can either have a legislative programme, or, in the case of the Budget, have its expenditure and income programme for a particular year.

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Tape No. 1353

SD - 1

MR. STAGG: This budget this year is similar to budgets over the last number of years. It shows a responsible and mature attitude towards the spending and raising of money. It was preceded by a bit of news approximately two weeks before the budget was brought down, a province-wide announcement by the Premier concerning wage restraint. Everybody in the Province is concerned with the wage restraint programme of the government. We who are supporters of the government in the Legislature are quite familiar with it. It was brought to our attention in a somewhat questioning manner by people who are the subject of it. It is not necessarily disregarded or spurned by the entirety of these people but it is certainly something that none of us want to perpetuate for any particular length of time. It is not something that government wants to do just to demonstrate that it can do it, that it has the legislative power to do it. Unfortunately, Mr. Speaker, it is something that, under the circumstances, it was absolutely necessary to do. And, of course, that affects a broad spectrum of the Newfoundland populace and they are as anxious as we are to have these wage restraints lifted as soon as possible. But they have to be tied into the performance of the Newfoundland economy and it is impossible to deal with the performance of the Newfoundland economy unless one deals with the use of our resources, the development of our resources, the acquisition of control over our resources and some of the difficulties that we have been struggling with over the past number of years. Of course, in 1979 when it was confirmed what the geologists had long known that there was a virtual Saudi Arabia off our shores in the form of the Hibernia oil field, then that became a hot issue with our federal counterparts. Now it had always been a hot issue with Newfoundlanders and it had always been an issue that the Government of Newfoundland, in its wisdom, when it took over this government in January of 1972, had always considered to be something we should be preparing

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Tape No. 1353

SD - 2

MR. STAGG:

for. And a succession of two Premiers, and a succession of Ministers of Energy and Ministers of Finance, had always had foremost in their thinking the preparation for the day when the Newfoundland's offshore would, in fact, become an exploitable resource. And in that regard there was considerable activity forming the oil and gas regulations and becoming familiar with what is an appropriate way of developing our oil and gas resources, putting into formation

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Tape 1354

PK - 1

MR. STAGG:

putting into existence the Petroleum Directorate and generally speaking the Government of Newfoundland spending a considerable amount of its time in preparation for an event, or a series of events that would have extreme effect upon the quality of life of its people and also an affect upon the finances of the Province.

It was only, of course, after the discovery of oil offshore that the federal government took any serious interest in it. And as is usual with jurisdictions or with governments who are basically living beyond their own means, when that happens what all too often is the result is that they intend to plunder their extremities. In Ontario, for instance, there is an ongoing battle within the Province of Ontario as to whether or not the Toronto golden triangle area plunders Northern Ontario. And there is a very strong argument made by the Northern Ontario people that that is the case. And I suspect that if I were in Ontario I would have far more facts at my disposal than I do here. But that is quite a familiar method of government who have political power and legal power to plunder the resources usually held in the remote areas of a country or a province.

Now what has happened in Newfoundland since 1979 it is a disgrace to this country. It is a disgrace to the Government of Canada that they have actively participated at every level to attempt to extract submission from the people of this Province through its government. It has been practiced in the most Machiavellian of ways, it has been practiced by deliberately holding back on what are ordinary transfer payments from Central Government to a province. And it is not widely known, or the people do not widely know or appreciate or consider that the Central Government does not have any money of its own, it only has the people's money, and it acts

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Tape 1354

PK - 2

MR. STAGG:

as a dispenser of funds.

It also, of course, has the ability to print money. The Central Government has the ability to print money. It is the only government in Canada that can print money. John Turner started printing money approximately thirteen or fourteen years ago in an attempt to get over the recession of the early 1970s. That is what Mr. Turner did. Mr. Turner, of course, is not wanting to face that issue, but that is one of the things that Central Government can do, they can print money, and they are also dispensers of largess, so-called, to various areas of the country. They can also withhold the largess, which is really what has happened in Newfoundland in its dealings with the Government in Ottawa for quite a number of years, but especially since the phoenix-like resurrection of the Liberal Party in Canada in February, 1980, there is no doubt, Mr. Speaker, that we have been carrying on under the most awesome of circumstances. When the history of Canada is written about this particular period in the history of this country, it will indeed be a sad -

MR. NEARY:

On a point of order, Mr.

Speaker.

MR. SPEAKER (McNicholas):

A point of order, the hon.

Leader of the Opposition.

MR. STAGG:

I am getting around to the

hon. member and his quizzing-like comments of last week, Mr. Speaker.

MR. SPEAKER:

Order, please!

MR. NEARY:

There is no quorum in the

House, Mr. Speaker.

MR. SPEAKER:

Call in the members.

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Tape 1354

PK - 3

QUORUM CALL

MR. SPEAKER (McNicholas):

There is a quorum present.

And is it agreed to continue?

SOME HON. MEMBERS:

No.

MR. STAGG:

Thank you, Mr. Speaker.

MR. SPEAKER:

It is not agreed.

MR. STAGG:

It is not agreed.

MR. SPEAKER:

Order, please!

A quorum is present.

The hon. member for Stephenville.

SOME HON. MEMBERS:

Hear, hear!

MR. STAGG:

Thank you, Mr. Speaker.

I was dealing with this
period in the history of Canada. When it is written, and is inevitable
that

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NM - 1

MR. STAGG: it will be written, the past four and a half years, this term of the Liberal Government in Ottawa, this dying, decaying government, will be looked upon as one of the periods of the nadir of Canadianism in Canada. Because the Canadian people do not agree with the way that Newfoundland has been treated. They do not agree with the way Alberta has been treated. In 1980, Mr. Speaker, Alberta was booming. They were drilling for oil, they were discovering oil at a fantastic rate and Canada was well on its way to national self-sufficiency in oil because there was an oil crisis at the time. And what did Mr. Lalonde and Mr. Chretien do at that time? They invented the most scurrilous piece of legislation well, one of the most scurrilous pieces of legislation, because if you are looking at the Liberal Government they have had some pretty scurrilous pieces of legislation over the years, but this ranks right up there with them, the national energy policy.

One arm of the national energy policy was to stick it to Albertans. The Albertans are too rich, they are too cocky, they are too politically independent from the rest of Canada, so therefore we must take their measure. And they did. They brought Alberta almost literally to its knees over the next two or three years. They managed to do it. They have the power to do it. And short of going out and being involved with civil disobedience, the people, the businessmen, the ordinary workers of Alberta, they had no choice, and the

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NM - 2

MR. STAGG: oil rigs that were discovering oil and gas in Alberta at a rate unparalleled in Canadian history, what happened to them? They went South to the United States or they were foreclosed upon by the bank. There were very high interest rates at the time if you may recall, interest rates of over 20 per cent. Small businessmen going down the tubes everywhere, especially in Alberta, as Mr. Chretien and Mr. Lalonde and Mr. Trudeau wreaked their vengeance upon these pioneers, these entrepreneurs, these people who were giving Canada national self-sufficiency in oil from 1980, and they would have had us practically self-sufficient in oil at the present time, but, no, they play that game whereby unless you are subservient, unless you have to crawl to me for largess from the Federal Treasury, then that is not the way things should be in the best of all possible worlds, according to the Liberal Party. That is the Western arm of the national energy policy, Mr. Speaker.

Now what about the Eastern arm of the national energy policy? We are living through that now. We are living through the Eastern arm of the national energy policy where they enlisted our erstwhile colleagues in Nova Scotia in their offshore agreement, an agreement which even the federal government and the Nova Scotia Government have recently declared to be inadequate, which indicates that Nova Scotia will get very few benefits from it. But it was a proaganda war of unparalleled magnitude in

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ah-1

MR. STAGG: Canada, participated in, I may add, by a great many Newfoundlanders. A lot of Newfoundlanders fell victim to that policy, that propaganda war and week after week, month after month, we hear enunciations, ostensibly from Chambers of Commerce and business leaders, but essentially they were political commentary, Mr. Speaker.

MR. BUTT: Right on.

MR. STAGG: - Political commentary from people masquerading as representing the business community or some other group. But they have their other agenda, Mr. Speaker. They have a stated agenda which gives them the legitimacy to make their statement, and no one can deny them that, but they have their hidden agenda and the hidden agenda of these people is a political agenda and that political agenda is one whereby they like to take over the government. Who are these people who would like to take over the government of Newfoundland, who would like to defeat Brian Peckford and we members of his party? Who are they and what do they represent? Well, they are the kind of people who, Mr. Speaker, rejoice like 'Uncle Tom' Smallwood and 'Uncle Tom' Neary last week when they rejoiced that the Supreme Court of Canada had rejected the Churchill Falls Water Rights Reversion Act. They rejoiced at it, that now Newfoundland would not be looked upon as an international outlaw. That is the kind of people -

MR. NEARY: A Banana Republic. I said.

MR. STAGG: Yes, a Banana Republic. And the hon. member perpetuates that every time he says it. That is the kind of people who are involved with the

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Tape No. 1356

ah-2

MR. STAGG: Liberal Party in this Province, Mr. Speaker, and that is the essential difference between the Liberal Party and the PC Party. The Liberal Party of Newfoundland would never attempt to change the Upper Churchill contract. It is sacrosanct, it is written in stone, it is written in the wind. It is written: It almost has a religious fervour about it. They would make no attempt to change it even though it is an unconscionable contract, Mr. Speaker, the most unconscionable economic contract ever entered into in the history of Canada. There is no other. There is only one other that I know of that might parallel it, and that is when the Dutch bought Manhattan from the Indians, whenever it was, for something like \$24 in baubles and beads. And where are the hon. members baubles and beads? Well, here is the magnitude of it. Newfoundland gets \$8 million a year. And it is not always guaranteed to get that because, as I understand it, there are penalty clauses in it, if the plant goes down we are liable to something like \$250,000 a day, some grotesque figure. So there may be years when we actually lose money on Churchill Falls, we have to pay out more than we get in. And Quebec, these great Canadians, they get - well, the latest count was over \$800 million. It does not matter. Once you go beyond \$20 or \$30 million in the difference, the figures do not mean anything, nobody can really comprehend them,

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MR. STAGG:

but they can comprehend that it is unconscionable, unconscionable - you have a conscience and this is unconscionable - and it is unconscionable for a political leader in this Province to say, 'Thank God, the Supreme Court of Canada found against Newfoundland on the Water Rights Reversion Act, because otherwise we would be a Banana Republic.'

What about Quebec, Mr.

Speaker? What about the federal government, the federal government which intervened on the side of Quebec in this unconscionable contract? Is law so sacred that once you have signed something it can never be undone? Is that the way it is? If that were the way the world were run, Mr. Speaker, we would still have slavery. We would have slavery in this world and there would be some genuine Uncle Toms in this world. We have economic slavery in Newfoundland at the present time.

Now, we persevere, we are not going to give up. That will also be one of the great stories of the 1980s, this latter part of the twentieth century, how the Newfoundland people persevered under the most heinous regime, and the most sinister, malevolent, and a variety of other words that will come to me eventually, these actions of a central government in Ottawa, aided and abetted, it appears, by the Liberal Party of Newfoundland, by these gentlemen opposite, by Mr. Smallwood, and by the present Leader of the Opposition (Mr. Neary).

Now, it may very well be that, if you are just looking at an ordinary contract that did not have any social implications whatsoever, that you could say a contract is a contract, but there are certain things, Mr. Speaker, that go beyond that. There are things in this country, things which keep a country together, things that mean the social fabric of the country that dispenses

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MR. STAGG: justice to its extremities as well as to the central core, there are certain things about a contract that should be reviewed. And who should be the reviewing authority? Well, there are two reviewing authorities in Canada. I believe that the Supreme Court of Canada should dispense natural justice. Natural justice is something that is generally accepted and understood by everyone. Natural justice means what is fair and what is equitable and what is right. It is almost a biblical thing, natural justice. And there is a whole field of administrative law where administrative tribunals have unfettered discretion to do a variety of things, and they can be challenged on the basis of natural

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Tape No. 1358

SD - 1

MR. STAGG:

justice, and this piece of legislation had in it all the ingredients of challenging something on the grounds of natural justice. Now the hon. member for LaPoile (Mr. Neary) does not believe in natural justice, he does not believe in it. I will just read the second last page of this judgement of the Supreme Court of Canada where our Newfoundland lawyers were up arguing before the Supreme Court of Canada. It says, "It was argued by the Attorney General of Newfoundland (Mr. Ottenheimer) that control over the power generated at Churchill Falls is essential for the effective management by Newfoundland of its water resources to meet the energy needs of the Province." Now there, Mr. Speaker, in one sentence is the story of Newfoundland written very small, in microcosm, written in one sentence. "Essential for the effective management by Newfoundland of its water resources to meet the energy needs of the Province. However, it is not for the court to consider the desirability of legislation from a social or economic perspective where a constitutional issue is raised." So they drew their constitutional cloaks around them, Mr. Speaker, they drew them around them and they, sitting in the Supreme Court -

MR. WARREN:

You challenge the Supreme Court?

MR. STAGG:

Yes, I challenge the Supreme Court.

I have already done it here and I hope they hear it because I would love to be taken before the Bar of the Supreme Court of Canada and asked to justify my remarks. So I commend the hon. member to send the Hansard to them.

MR. WARREN: You should be ashamed of yourself as a lawyer.MR. STAGG:

Yes.

Now, Mr. Speaker. It says, "However,

it is not for this court to consider the desirability of legislation from a social or economic perspective where a constitutional issued is raised." And they quote the Central Canada Potash Company versus the Government of Saskatchewan. This is where Saskatchewan. Mr. Speaker, some years ago was

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SD - 2

MR. STAGG: attempting to get control of its natural resource by putting a tax on it when it was sold outside the province, and that was struck down by the Supreme Court of Canada as well. Well, I say that the Supreme Court of Canada eventually will reach the stage where it will make decisions on what is correct from a moral and natural justice point of view. It will happen because, like it or not, one of the few pieces of legislation that this past few has brought about is the Charter of Rights and the new Constitution. And everything about the new Constitution, Mr. Speaker, if it means anything, unless it is going to be narrowly interrupted by the judges, if it means anything contracts such as the Churchill Falls contract should be struck down. And I maintain that eventually the Supreme Court of Canada will move in that direction, like the Supreme Court of the United States does. The Supreme Court of the United States is a dynamic court and it changes policy in the country, period, and in effect it is a third level of government in the United States. And because we now have a written Constitution, which we never had before, it is inevitable that the Supreme Court of Canada will move in that direction. Unfortunately, this case and the offshore ownership case before it will be cases which will be cited as the point of view of the old court before the Charter of Rights and the new Constitution, and the principles that are embodied in them, before they took over.

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Tape No. 1359

MJ - 1

MR. STAGG: Well, of course, Newfoundland will lead the way. Unfortunately we are leading the way from an area that we do not care to lead. Now what are the choices in Newfoundland at the present time? We have a budget where the Minister of Finance (Dr. Collins) has striven mightily and has brought forward a document which means that we will survive the next year and we can survive for a number of years yet. But what is the optimum method of attacking this? Now, Mr. Speaker, it is obvious that we will not get justice for Newfoundland from the Supreme Court of Canada. We have not gotten justice from the Supreme Court of Canada where one would expect justice, where one would at least expect a kindly word, where one would expect at least a modest dissent. But, no! All we get are unanimous decisions that find entirely against the Newfoundland position. In the offshore case they agreed in the final analysis with the Supreme Court of Newfoundland, but for entirely different reasons. In the Water Rights Reversion case they basically overturned the Supreme Court of Newfoundland.

MR. BUTT: Right on, Sir. They threw that one out the window.

MR. NEARY: What a statement for a lawyer to make.

MR. STAGG: The Churchill Falls contract is an unconscionable contract. We asked for justice and we get no justice. So I say you will get no justice before the Supreme Court of Canada. Newfoundland will get no justice before the Supreme Court of Canada and that is correct.

SOME HON. MEMBERS: Hear, hear!

MR. STAGG: Now the hon. member opposite, as he said last week, he thanked God for the Supreme Court of Canada that we are now not a Banana Republic. He cares nothing about the plundering of Newfoundland's resources by the Province of Quebec and by the federal government, which acts hand in hand with the Province of Quebec, which

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Tape No. 1359

MJ - 2

MR. STAGG: joined in on the side of the Province of Quebec and utilized the full resources of the Department of Justice of Canada to fight against Newfoundland. So can we get justice before the Supreme Court of Canada? Absolutely not. We cannot get justice before the Supreme Court of Canada. Can we justice before the federal government in Ottawa as it presently is constituted? Is it possible to get justice? Absolutely not.

MR. SIMMS: The federal government appointed the Supreme Court Justices.

MR. STAGG: They appointed the judges, yes. Can we get justice before them? So it is obvious, Mr. Speaker, we cannot change the Supreme Court of Canada. Judges in Canada are appointed and they must stay there until they are seventy-five years of age. They are there until they are seventy-five years of age and I maintain that I would make no changes in that. But one thing we can do and one thing we must do and one thing that everybody here, all forty-four members of us, we have one of our members who is giving up a sinecure that he had for the rest of his life, the member for Menihek (Mr. Walsh) in effect has given up his seat in the House of Assembly, although he still sits here, he is sitting here in front of me at the present time, to run against the Minister of Mines (Mr. Rompkey), if he is still there when they have the nerve to call the election. I will tell you right now, Mr. Speaker, when this election is called this member of the House

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Tape 1360

EC - 1

MR. STAGG:

of Assembly will be out on the hustings. It will be forty-five days of frenetic activity from this gentleman -

SOME HON. MEMBERS: Hear, hear!

MR. STAGG: - and I maintain from all my colleagues here. I do not know about the Speaker, whether he will get involved, I suspect he probably will.

AN HON. MEMBER: No.

MR. STAGG: No, the Speaker would never get involved in these things. But if ever a Speaker were tempted to get involved in a partisan manner, I think that he would be sorely tempted in this one. I think he would probably risk being censured as a Speaker.

MR. SIMMS: What you are after is an independent person who feels as strongly as you.

MR. STAGG: An independent person who feels strongly, indeed.

So we are all going to be out there, Mr. Speaker, and let there be no mistake about it, we are not a group who are unused to political campaigning. There are not very many people over here who have ever been defeated in major campaigns; the number of people here who have been defeated are very, very few. We have not tasted it and we do not intend to taste it this time.

The only way, Mr. Speaker, that we can get justice in this country - every journey starts with a small step; and a small step that we will unveil on election night, whenever it is - at 8:00 p.m. there, 8:30 p.m. in Newfoundland, when the polls close and the first polls come in, they will be coming out of Newfoundland and they will show in no uncertain terms where Newfoundland stands with regard to its search for justice in this country.

SOME HON. MEMBERS: Hear, hear!

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Tape 1360

EC - 2

MR. STAGG: We will be standing behind Brian Mulroney and the Progressive Conservative Party so that we will hearken back yet -

MR. NEARY: Now, there is the truth of it!

MR. STAGG: The truth of it! I have never concealed the truth of it.

MR. SPEAKER (Russell): Order, please!
The hon. member's time has expired.

SOME HON. MEMBERS: By leave!

MR. BUTT: By leave! He is making a good speech.

MR. SPEAKER: Order, please!
The truth of it is that the hon. member's time has elapsed unless he has leave to continue.

SOME HON. MEMBERS: By leave!

SOME HON. MEMBERS: No, no!

MR. HISCOCK: Mr. Speaker.

MR. SPEAKER: The hon. the member for Eagle River.

MR. HISCOCK: Thank you, Mr. Speaker.

With regard to the Budget Speech, one of the things I would like to deal with is with respect to electricity rates in this Province. But before I deal with that, I would like to take the member for Stephenville (Mr. Stagg) to account by saying that we will not get any justice, as he sees it, from the Supreme Court of Canada. Obviously, he, being a lawyer, feels that if the court rules in his favour then it is justice but if the court does not rule in his favour then it is not justice. From the legal point of view, obviously, Mr. Speaker, not only is there justice, but they had no other choice, and in that regard, It is interesting to note that all nine of the Supreme Court Justices agreed. The Supreme Court Justice Ritchie, who was appointed by Mr. Diefenbaker, agreed, and the Supreme

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MR. HISCOCK: Court Justice Grandpré from Quebec, who was appointed by Mr. Clark, agreed also with those Justices accused of being political appointees of Mr. Trudeau.

I would caution the government and members of the Opposition that the decision of the Supreme Court is a very serious matter and they should not make inflammatory remarks about it

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MR. HISCOCK: to undermine our legal system in Canada, that over and above it all that when it goes to the courts -

MR. NEARY: (Inaudible) contempt.

MR. STAGG: I did not want to get into it.

MR. NEARY: The Premier's way is a coward's way.

MR. HISCOCK: Mr. Speaker, I would like to have silence.

MR. NEARY: You have not got the courage to come out man-fashion and say it.

DR. COLLINS: Mr. Speaker, he is interfering in his own member's speech.

MR. HISCOCK: With regard to the courts, I believe very, very strongly that we are coming up with a principle of undermining our own legal system and if we continue to undermine our own legal system, how can we expect the populace of our Country and Province to respect law and order? And, obviously, if that is the case, then we are going to have chaos, we will have, as the Leader of the Opposition (Mr. Neary) said, a Banana Republic. I am not necessarily sure it will ever come to that, but I think we will have disrespect for the law, disrespect for our police, disrespect for the judges, disrespect for the Justices of the Peace, disrespect for councillors. We would be undermining the whole system, which is something I do not agree with. And the same thing applies to our own Province. If we start questioning the courts who are the guardians not only of our constitution but of law and order, then we are, I say, very, very seriously undermining our own culture within Canada. I do not particularly like that. Because, as I said, the younger people in our schools,

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MR. HISCOCK: in our elementary schools and in our high schools, but particularly in the elementary schools, they do not know necessarily how the courts operate, and yet they hear the leaders of their Province, and the Premier of their Province saying that the judges of the Supreme Court of Canada decided the way they did because they were appointed by a Liberal Government, or because they were appointed by a Conservative Government. So if logic follows through, then the full legal system in this Province is under scrutiny. Because the present Chief Justice of this Province was the Attorney General, the Minister of Justice of this Province, and he belonged to the Conservative Party. So one could argue as well that if there is no justice under the Supreme Court of Canada, then, obviously, there is no justice under the Provincial Supreme Court either, because some of the judges of that court are of the same political stripe as the party in power.

And the Canadian Bar Association, as well as the Newfoundland Bar Association would agree that once a judge is appointed he takes an oath just like a doctor, and that oath is to uphold the law and order and to be able to interpret the Charter of Rights and the Constitution. They have to interpret law, not law based upon emotion, not law based upon morality, but law that is written down in the Statutes that have been passed in this House and the House of Commons. That is what they have to interpret.

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MR. HISCOCK: And I think we are doing an injustice to the Supreme Court in trying to undermine the legal system and the judges.

As was pointed out, this government took the gamble and put it to the court and we then have to accept the decision of the court whether we like it or not.

Canada, for example, is taking the U.S. to court on the Georges Bank situation and the U.S. is taking Canada to court, but once the thing is settled they have both agreed to accept the court's decision. Canada is claiming half of the Georges Bank, but the U.S. is claiming all of it. So it is quite possible that the United States will end up getting all of it, but if that is the decision, we have said that we will respect it. And I cannot understand the lawyers on both sides of this House, but particularly on the government side, especially the Minister of Justice (Mr. Ottenheimer), and the President of the Council (Mr. Marshall), advising the Premier to put this matter in the court and then not be willing to accept the court's decision.

I assume it would not have been put in the court in the first place if government had thought that the decision would not be in its favour. I assume the government put in in the court from that point of view and then were rudely awakened when they found out that the Justices of the Supreme Court are a little more professional; they do not operate emotionally, but operate on legalities, and they awarded it to the nation, saying, 'It is a problem between two provinces.'

With that, Mr. Speaker, we now have the government, the President of the Council, the Premier and various members of this government going around the Province saying, 'We did not get justice from the Supreme Court of Canada.'

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MR. HISCOCK:

It is the same thing with the offshore. There has to be a court decision handed down on the offshore. The court decided that B.C.'s resources belonged to Canada long before Newfoundland took its case to court; the Australian States took Australia to court and the decision was in favour of the national government.

Mr. Speaker, the offshore Continental Shelf has always been awarded to national governments and not to states or provinces. That is an international law and this government, under the leadership of the Premier, should have realized that before they took the case to court.

I remember studying international law under Professor Hart at the university, and jurisprudence under Mr. Barry, and that is one of the things I always remember, that when it came to the Continental shelf and other things, the decision was always in favour of the national government. But now,

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MR. HISCOCK: Mr. Speaker, we find ourselves having to go into negotiations, and since I was elected, in 1979, I have stated time and time again, and you can check Hansard, that this government does not want a negotiated settlement with the Liberal government in Ottawa. And it will not negotiate a settlement with the next Prime Minister, whether that be Mr. Turner or Mr. Chretien or Mr. Roberts or Mr. Whelan. They will not negotiate a settlement with the new Prime Minister, they will wait until the next federal election is called and fight the election in this Province on the idea of the offshore. And our people, Mr. Speaker, in this Province have gone through untold suffering. The member for Stephenville (Mr. Stagg) gets up and states that the reason why we are having this problem in the economy in our own Province is because of the equalization payments. If anybody checks out the equalization payments, he will find that equalization has gone up more this year than ever before.

MR. NEARY: Almost \$700 million this year.

MR. HISCOCK: Take, for example, the industry out in Paradise, in the district represented by the member for Conception Bay South (Mr. Butt), McNamara was one of the greatest employers in the construction industry in the Province. It fell on hard times and was taken over by Easteel of Alberta, I believe, on the premise that the offshore was going to go ahead, and the extension to the Battery went ahead on the idea that the offshore was going to go. Many other businesses, large and small, took risks, sold a lot of their property and got into the offshore venture to find out what? That they went under. And now, Mr. Speaker, Easteel has been taken over by Metal Craft and we now find out that a person who was working there for thirty-six years is now laid off and it is now down to a family enterprise. And that is what is happening in our Province. We can take, for example, McNamara going under, Easteel going under and now Metal Craft, and we can take

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MR. HISCOCK: the Battery, and we can take all the trucking companies around the Province, hotels, restaurants and small businesses that are going under. And as I said, Mr. Speaker, all for the want of what? To tighten our belts. We have always been second-class and we will always be second-class. We have always gotten the dirty end of the stick. Going back to nationalism, Bond used it, Moores used it and Smallwood used it, but nobody used it like this government has used it. And we find out, Mr. Speaker, the ones who are suffering are our youth, the ones in our trade schools and the ones in university.

When I was in Cartwright the other day I had a call from a parent who had twins in Grade XII and she said, 'Mr. Hiscock, can you give me some advice for my boys who are in Grade XII? They have an eighty average and they want to go into a vocation, a trade, can you tell us what trade they can take so that when they come out they will at least be assured of being given the opportunity of getting employment?' And I contacted the trade school, I contacted the College of Fisheries and I contacted the College of Trades and Technology here in St. John's, and I found out that the courses promising the highest chance of getting employment are the beautician course and a cooking course. Those are basically the two. They are not in construction, bricklaying, electrical and plumbing, they are not with regard to the offshore, they are not with regard to the fishing industry, those are the two. And this is what has happened, Mr. Speaker. We find out now that our younger people who are going to university during this recession are trying to stay in there because they know when they come out there will be no jobs. So they stay in university and, therefore, they qualify for more and more grants

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MR. HISCOCK:

and loans. And what did this government do? Increase the amount of loans that they would have to pay because they found out that it jumped from \$6 million to \$12 million, they saw this trend. But they never asked the reason why the trend and why the jump. So, Mr. Speaker, the youth of the Province are the ones to suffer this belt tightening. Mr. Speaker, my brother-in-law is teaching in junior high in St. John's and half the students are asking, what are we getting an education for? And we are going to find it with our Grade X11 students coming out this year. They are coming out onto the job market and they have no idea what they can take because of the competition. At the Trade School in Gander there is a course in aircraft mechanics, sixteen people they take and 415 people applied. Down in Happy Valley - Goose Bay they are employing twenty-eight correctional officers or guards in the new prison down there and over 1500 people have applied for these jobs. And that goes to show the competition even before these students come out on the job market. And what does the Minister of Culture, Recreation and Youth (Mr. Simms) say? We are getting jobs for the Summer for 500 students. I think, Mr. Speaker, that when the schools close and the university and trade school students finish, we will end up having something like 40,000 to 50,000 students on the job market trying to find employment, and here we have a government that is offering them around 500 jobs. And, as I said, Mr. Speaker, we are not getting into enough job creation for our youth and not only that, we are making it harder for them to go to university to further their education.

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MR. HISCOCK:

One other thing that I want to get into is with regard to electricity. The greatest thing that was ever done was the development of the Upper Churchill. Whether we like the contract is something else, but the project was the largest one ever developed in the world, over and above Russia, over and above the United States. But for various reasons we find that the contract itself, and advice was given by the international economists of the day from London, from, I am sure, New York and from parts of Canada as well as our own, but nobody knew that the price of oil, which was \$1.60 per barrel, would go up the way it did, or that there was anything with the idea of long-term contracts. There was a piece of legislation, if members of this House of Assembly will remember, that was passed in the last session which concerned parts of Empire Avenue and other parts of St. John's where there was land leased for 99 years, and we had to pass that piece of legislation in this House to make sure that those people who owned that did not exploit those people who had leased it and have been living on it for the past thirty, forty or fifty years or more. And we also know that the American Consulate building which is now the Anglican Diocesan Center, the office

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MR. HISCOCK: of the Anglican Bishop of Eastern Newfoundland and Labrador, Bishop Mate, was leased to the American Government for ninety-nine years, and that land in Goose Bay and Pepperrell and Argentia and Stephenville was also leased for ninety-nine years. We have many examples of past governments and this government giving grants to land and leasing land.

So, Mr. Speaker, now we find out that the Upper Churchill contract was not a good deal.

But what did the Minister of Energy in Moores' Administration, Mr. Crosbie, do to try to solve the problem and deal with Quebec? He sent the Minister of Energy at the time a dead battery and said, That is how much power you will get from us. So that is how they negotiated a settlement. We have never sat down with Quebec to try to come up with a deal. Because it is too politically expedient for the Conservative Party here to put the Liberals of Quebec against the Province here, painting them as an outside enemy. One of the greatest examples of unifying any province or any country is to always have an outside enemy, and ours is Ottawa and Quebec. All we have to do is mention the name Quebec in this Province and you will probably get people into an argument quite easily.

But I can tell you this, that when Quebec entered this deal they had a choice of either doing that or developing their own power, James Bay or whatever. But they could get power cheaper here so they came to Newfoundland and bought it. Now they find out that they are held up in the international community, in the Canadian community, and in the Newfoundland community as being the bad boys of Confederation. But had we been in the same situation, and we signed a contract

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MR. HISCOCK: to buy power from Quebec, or from Ontario, or New Brunswick, we would be doing the same thing as Quebec, making sure that that contract held up.

The other thing, Mr. Speaker, I want to say is that BRINCO was developed to develop the Upper Churchill. So what did the Moores' government and a lot of the Cabinet ministers do? They nationalized the water rights under CFLCo, bought BRINCO for a couple of hundred millions of dollars and then destroyed it. And I would go so far as to say that if BRINCO, a private company, an international company, had been allowed to continue we would have the Lower Churchill developed, we would have the five rivers in Labrador developed and we would have a smelter in this Province, because at that time the Japanese were ready to go ahead. But, no, Mr. Speaker, this government has made one blunder after the other. The Liberals made the blunder of taking advice from the international community and accepting that contract. And, as I say, that contract was signed by the companies themselves. We find now that that mistake was made but this government did nothing to rectify it; they nationalized BRINCO, did away with that company, and brought in the Water Reversion Act to try to get the water rights and then, went on the assumption that once that was done, the piece of legislation was passed, the courts would agree. So this government has taken one gamble after another and now the members and the Premier have the nerve to stand up in this House and say it is the fault of the Chief Justices of Canada. The fault lies with the past administration and this present administration for not getting down in a spirit of co-operation and saying, Look, we are sister provinces, we share a common boundary, and it is in the interest of Quebec, Northern Quebec, and the interest of Labrador to develop it. And I pose this question to the

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MR. HISCOCK:

member for Menihek

(Mr. Walsh), who is now going for the National Conservative
nomination in that district, that if he is

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MR. HISCOCK: elected MP, is he going to be taking an adversary position with regard to Quebec, or is he going to try to sit down and negotiate with Quebec to make sure that Labrador is developed as well as Northern Quebec, in joint co-operation between sister provinces sharing a common territory? And I would say, Mr. Speaker, that his representatives in Menihek would say to him, "We need that area developed." They were very upset, as were the Strait people, when the Premier wanted to put a flag up on the border of Quebec and Newfoundland and Labrador. Again a great political stunt, but one of great rhetoric not substance.

So, Mr. Speaker, we have to find a way. I do believe, Mr. Speaker, that the Upper Churchill contract will be changed, but it will only be changed when this government is willing to sit down and negotiate in good faith, and not only in good faith but with compromise. Quebec has to compromise and Newfoundland has to compromise. Mr. Speaker, the nationalizing of BRINCO, and the taking over CLFCo, I will go as far as to say that with the interest rate that is after costing us at least \$500 million, the taking over and the destroying of that company, and if we finally get the Lower Churchill on the go, it will be us as a Province who will have to borrow more, and then go and look for markets. At least \$500 million it cost us to nationalize BRINCo, but once we got the nationalization what did we do, Mr. Speaker? In the 1974 election, when Mr. Moores was there, they got elected on the campaign that the Province was going bankrupt, that was Mr. Crosbie's and Mr. Moores' campaign, and as soon as they got elected, we were told we had to tighten our belts. And it went on

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MR. HISCOCK: so tight that when they called the next election they set up one of the greatest deceptions in this Province that was ever witnessed, it even went beyond the things that Prime Minister Moores' did with the railway, the sub-lines through Placentia, etc., one of the greatest pieces of deception, and that was the false start-up, Mr. Speaker, of the Lower Churchill. Again almost a couple of hundred million dollars to start up the tunnel in Flowers Cove and the one in Pointe Amour. And what happened? Very little surveying was done, and there are oil drums still in the interior of Labrador that were flown in and being used as a fuelling station. That, Mr. Speaker, we find was the greatest piece of deception. So the Liberals made their mistakes on the Upper Churchill but I will tell you this government has cost this Province at least another \$1 billion in trying to find solutions while hoodwinking our people. And now they are making the rallying cry that it is the Liberals again in Ottawa and the people in the Province of Quebec. It is up to us, Mr. Speaker, to find alternate ways to co-operate and if we do not have the spirit of co-operation, then there will be no negotiated settlement.

Now, Mr. Speaker, I want to get on to a request that has been made by the people in Coastal Labrador, that all the equipment that is left with the tunnel in Pointe Amour, and the trailers, and all the other office buildings that are there, the larger garage

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MR. HISCOCK: that is there in Pointe Amour, that now, Mr. Speaker, is going up on public tender. It is going up on public tender, because this government admits that the Lower Churchill is not even going to get off the ground, it is dead, it is finished, caput. And what are they doing? They are putting it up on public tender after misleading the people of that area. Businessmen in that area took risks and bought heavy duty equipment only to find out that their businesses went bankrupt. And now the residents of Southern Labrador are petitioning this government to ask for the largest building in that complex, at Pointe Amour, to be able to allow the people of Coastal Labrador to dismantle that building and move it into the Coast of Labrador, into one of the communities and use it as an indoor hockey rink. It is only logical. But is this government going to do this, Mr. Speaker? Is this government going to at least show some compassion for the suffering that has taken place on the Upper Churchill, on the Lower Churchill because of the money that was misused in this Province? They are now trying to get \$20,000 or \$30,000 or \$40,000 for a building that is at least worth \$250,000 or \$500,000, while the residents of Southern Labrador are asking for this building for a nominal fee of one dollar to make it legal. Is this government going to have compassion and give it to the people? No, Mr. Speaker. They are going to try to get \$10,000 or \$15,000 or \$20,000 for it. That is where it is, Mr. Speaker. This is where this government lies. It is easy for the President of the Council (Mr. Marshall) and the government to say the reason why Pinsent Arm in Norman Bay, where I spent a couple of nights the week before last, found out, Mr. Speaker, that they do not have power because of the Upper Churchill contract and yet, as the member for Torngat Mountains (Mr. Warren)

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MR. HISCOCK: has pointed out, in Deer Park and in Hogans Pond and in other areas power can be provided. Mr. Speaker, it is quite true, and the Leader of the Opposition (Mr. Neary) has said it time and time again and I do not know how often the people have to say it, that this government is not people oriented at all. And as I said, Mr. Speaker, this government does not treat all areas of the Province equally. You have a shortage of gasoline in some parts of Coastal Labrador and what does the Minister of Rural, Agricultural and Northern Development (Mr. Goudie) say? 'It always happens.' But when it happened in the Minister of Communications (Mr. Doyle) district, on Bell Island, when they ran out of food, within a week what happened? The bombers were on, the Torbay Recreation Center was set up with beds and everything. Yet those people on the Coast of Labrador the business people as well as the people in general, are expected to bring in enough food and fuel in November to last them until July while we have shipping going back and forth to Bell Island, and Fogo, and St. Brendan's and Ramea. Mr. Speaker, as soon as something like that happens in one of those areas that is close to the media in St. John's, the media of the St. John's area can go down to Portugal Cove and see the backlog and see the trucks loading the freight, and that is done so that the people here in St. John's will not be upset and say, 'Oh the poor people on Bell Island.' But nobody

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MR. HISCOCK: here in St. John's think about the poor people in Labrador who have to worry about bringing food supplies into Labrador from November through to July. And yet, the Minister of Rural, Agricultural and Northern Development (Mr. Goudie) says, 'Oh, it is always a problem.' I have been writing this minister, Mr. Speaker, each Fall for the past five years, asking whether there is enough food and gasoline being brought in to last all year. It is the free enterprise system. But as soon as the Tickle becomes blocked, it is not the free enterprise system, it is the problem of this government and, Mr. Speaker, this government has to answer that long-term problem of shortages. And I am not singling out Labrador, because Fogo and Bell Island and St. Brendan's and Ramea and Petites and other areas have the same problem. But, Mr. Speaker, this government must create a long-term plan for the moving of food and other basics into these areas.

As I said, Mr. Speaker, I will speak on that in greater detail, having spent the past two weeks travelling along the Coast. If hon. members opposite were to go into some of the homes in Labrador where they have no electricity and see the children studying by the light of oil lamps and gas lamps, then they would show a little more compassion.

I thank you, Mr. Speaker, for allowing me the opportunity of speaking on this budget. As I said, it is a budget that is only putting us more in the hole and more in despair, it is not one of hope. We are borrowing something like \$200 million. It is not for job creation, it is for building arts and culture centres, it is for building the extension to

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MR. HISCOCK: Confederation Building. It is not going into tourism, or agriculture, or the fisheries; it is not going into creating new jobs. They are taking the dollar and turning it over and over. It is now turned over a dozen times.

If we are going to rebuild our provincial economy and that of our nation as a whole, this government must make some hard political decisions that are not going to be popular. As Prime Minister Trudeau said, you are elected to rule and to govern and if it means passing legislation that is unpopular then you have to bite the bullet. This government, Mr. Speaker, with forty-five members, have the mentality of an Opposition who are afraid to bite the bullet and do not deserve the office and the positions that they have.

Thank you, Mr. Speaker.

DR. McNICHOLAS:

Mr. Speaker.

MR. NEARY:

Mr. Speaker, on a point of order.

MR. SPEAKER (Russell):

I recognize the hon. the member for St. John's Centre (Dr. McNicholas) but will first recognize the hon. the Leader of the Opposition on a point of order.

MR. NEARY:

Mr. Speaker, earlier in this debate - and I have asked, by the way, for the transcript of Hansard but do not have it at the moment, and I do not want to sit on my rights; I happened to be out of the House, and I have sent for the Hansard. But I want to raise what I consider to be probably one of the most serious points of order that has ever been raised in this hon. House. I would like to draw Your Honour's attention to page 114 of Beauchesne, section 321, which has to do with Protected Persons. Now, Mr. Speaker, in the debate earlier, we saw the member for Stephenville (Mr. Stagg) make the most

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MR. NEARY: vicious attack, the most cowardly attack on the courts of justice in this land that we have ever seen in this hon. House. I wish I had the quote from Hansard, but what the hon. gentleman said was, we cannot get justice from the Supreme Court of Canada. Now, Mr. Speaker, I do not have to tell Your Honour that under this section of Beauchesne, it does not mean that you have to attack a judge or a group of judges, and I will quote from Beauchesne what it says, that "All references to judges and courts of justice of the nature of personal attack and censure have always been considered unparliamentary, and the Speaker has always treated them as breaches of order.

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MR. NEARY: "Members have been interrupted in Committee of the Whole by the Chairman when they have cast an imputation upon a judicial proceeding." Now, Mr. Speaker, that is simple and clear. And the hon. gentleman said it twice, in response to a comment from my hon. colleague repeated it. Now, Mr. Speaker, it is up to this House to protect the courts of justice and to stop any imputation by members of this House upon judicial proceedings. Now we saw it happen in the House this afternoon, Mr. Speaker. The hon. gentleman has sailed pretty close to the wind before but this afternoon he went all the way.

AN HON. MEMBER: What is your reference?

MR. NEARY: My reference is page 114, Section 321. It does not say judges, it says 'courts of justice,' 'imputation upon a judicial proceeding.' Now, Mr. Speaker, I would say that we saw in this House today the most blatant attempt to undermine the courts of justice in this land that we have ever seen in this House, and it came from somebody who should know better, a lawyer who is an officer of the court. We cannot allow this to go on, Mr. Speaker. It is a very serious and grievous matter. And the hon. gentleman should be directed by the Chair because, Mr. Speaker, we have to protect -

MR. BAIRD: Forget your speech. Make your point of order.

MR. NEARY: I am stating my point of order - the courts and we have to protect the judges. And, Mr. Speaker, if we allow that to stand on the public record then I would say that we are shirking our responsibility as elected members of this House and we will be breaking our oath of office, our oath that we took when we became members of this hon. House, Mr. Speaker. It was cowardly, it was calculated. When I challenged the hon. member he said, 'I dare them to take me up for contempt of court'. That is beside the point, that is a different matter. The hon. gentleman may have very easily said

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MR. NEARY: it outside. If the hon. gentleman said it outside the House he might be charged with contempt of court, but he said it within the confines of this House and he knows he cannot be charged with contempt. But it is our duty and our responsibility to protect the courts of justice in this land, Mr. Speaker, and I would submit that there is a point of order and that the member be asked to withdraw his unparliamentary remarks.

DR. COLLINS: To that point of order, Mr. Speaker.

MR. SPEAKER (Russell): To that point of order, the hon. Minister of Finance.

DR. COLLINS: Mr. Speaker, there is absolutely no point of order here. The hon. Leader of the Opposition (Mr. Neary) knows there is no point of order here.

MR. HODDER: Go 'way, boy. Do not be so silly.

DR. COLLINS: A point of order has to be raised at the time that an hon. member perceives that there is a point of disorder in the House. Now the hon. member, in his very remarks speaking to this point of order, said that he was in the House and actually conversed through interjection with the hon. member. So he was clearly here in the House when this incident occurred. If he thought there was a point of order, which there is not, but if he thought there was a point of order he should have raised it at that time. And it is a blatant disregard of the rules of this House, half an hour later, having gone out of the House and done God knows what, then come in and try to interfere with the proceedings of the House by bringing up a point of order in this fashion. It is absolutely scandalous that a member of this House who has been here for this period of time, who should know the rules - and if he does not know the rules, I mean, who is to know the rules? - after that length of time to do this sort of thing. It is quite clear that this is no point of order and I submit that the hon. member might well merit a reprimand from the Chair.

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MR. SPEAKER (Russell):

Order, please!

To that point of order, the Chair has heard enough argument on this point. I will certainly take under advisement the points that have been raised as to whether or not an hon. member has cast any aspersions, I suppose, on the Justices of the Supreme Court.

The point raised by the hon. Minister of Finance (Dr. Collins) indicates that outside, perhaps, of the argument that the point perhaps could have been raised at an earlier opportunity. So the Chair will take that under advisement and hopefully be in a position to make a ruling on that tomorrow.

The hon. member for St. John's Centre.

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DR. McNICHOLAS:

Mr. Speaker, I rise to congratulate the Minister of Finance (Dr. Collins) on the excellent budget he brought down. We are now in the fifth year of the Peckford administration, and I think any reasonable honest person will admit that we have had a pretty hard battle, not because of anything we did but because of things that are completely outside our control. We have gone through a depression that was not just confined to Newfoundland nor confined to Canada. It was worldwide, certainly in the Western world. And in fact it is pretty well acknowledged that it was the worst depression we have had since the great depression of 1932. Now I would like to see changes, I would love to see a reduction in the sales tax, I would like to see increased social benefits. But let us be quite straight about it, there is no money. We just have to juggle the money that we have to what is considered the best. You have to look after the poor, you have to look after the old, you have to have some money for education and health and try as best we can to help the unemployed. We have to look after all of these necessities and at the same time try and stimulate the economy and reduce our debt. One of the big factors here is the amount of interest we pay out every year for money that we have borrowed. This is just like money down the drain, but it is money that we have borrowed and we have to pay the interest on it.

There are just a few particular comments that I would like to dwell on and number one is hydro. I think we were all appalled some days ago to find that once again Newfoundland was shafted.

AN HON. MEMBER:

(inaudible) Supreme Court judges.

May 7, 1984

Tape No. 1370

ah-2

DR. McNICHOLAS:

I am not criticizing the Supreme Court judges at all. I think that they interpreted the law as they found it. I am not a lawyer and I certainly would not in any way try to criticize them. I think that would be a stupid thing to do. I also realize that, as people say, hindsight is twenty/twenty vision and that this agreement that was signed in 1969, or whatever time it was, that actually at the time the amount of money, if you like, that was paid for the energy was at that time a reasonable amount. This was before the price of oil just skyrocketed and nobody knew that. I would not expect the Smallwood administration to know it, nobody knew it. I will take them to task though, any prudent businessman would not sign a sixty-five year lease without having some way of reviewing it during that period, either reviewing it or having an escalation clause. That was a stupid, stupid thing to do. I do not like the idea that we have to go and ask the federal government to try and bring in legislation, which I doubt that they can do anyway, to try and rectify mistakes that we actually made ourselves. Now whether in fact there might be a packet deal done as far as the Upper Churchill and the Lower Churchill and the other rivers that drain from Newfoundland Labrador into the North shores of the St. Lawrence, I do not know any details about the proposal of the Quebec government to our own government.

May 7, 1984

Tape 1371

PK - 1

DR. MCNICHOLAS:

I am sure that if it was a reasonable one the President of the Council (Mr. Marshall), who was negotiating, would have brought it back for all to consider. We will know that in time. One thing though that appalls me though about this particular decision a few days ago was that we were at a tremendous disadvantage. Now, it was not just Quebec against Newfoundland. The whole power and influence of the federal government was stacked against Newfoundland because the federal government joined the issue on the side of Quebec.

SOME HON. MEMBERS:

Hear, hear!

DR. MCNICHOLAS:

So I think that shows just what we can expect from the present federal government in Ottawa. And to my mind it is useless to try to even go back and talk while the present government is there in Ottawa, to talk either on the hydro issue or on the offshore. I think we just have to be patient for another few months when we will have a Tory Government in Ottawa and that is the time to start the negotiation and rectify the wrongs that we have at the present time.

I would like very briefly,

Mr. Speaker, to talk about our medical set up here. I am not going to expand upon it to any great extent. I would like to say what I said last year, that we have too much fat in our hospital set up. We have too many drones, we have too many secretaries and administrators and people who are not really doing medicine or nursing at all. Now I have heard the hon. Minister of Health (Mr. House) talking here in this hon. House and saying what a great thing accreditation was and the Accreditation Committee was doing such a great thing.

SOME HON. MEMBERS:

Hear, hear!

DR. MCNICHOLAS:

I think the Accreditation Committee that comes here from Up-along are for the birds. They

May 7, 1984

Tape 1371

PK - 2

DR. MCNICHOLAS: are useless. I remember, I practiced here for a long time, I practiced long before the Accreditation Committee came here and the standard and the type of quality of medicine was better before the Accreditation Committee came here, because they have just added to the expense of hospital. They want every single item noted, records, a whole slew of secretaries, sending reports that the doctors and others never even read because they are useless.

I remember being called back because there is a little note about, a continuing report about a patient he might be in for a month, scribble a little note every day when you had far more important things to do. I think we should have a hard look at the Accreditation Committee because I do not think they are really helping us here; they are adding frightfully to the expense of hospitals.

And if you look around, and I do not mind saying that the unions, I am not against the unions, but there does not seem to be that kind of a flexibility now that I remember, if you like, in the good old days when you could do a whole list of operations and the staff and the assistants fitted in, they might have had to put off their lunch, I put off my lunch on dozens and dozens of occasions, but now everything stops for a tea break and a coffee break and a lunch break, and the overheads are gone up, and up, and up and quite frankly we just cannot afford it. And if you have X number of dollars for our medical scheme, our medical set up here, and you are going to use it on wasting time, the patients are going to suffer, it is just as simple as that.

May 7, 1984

Tape 1372

NM - 1

DR. MCNICHOLAS: Now, I remember some days ago I heard the hon. member for Port au Port (Mr. Hodder), and I just cannot recall exactly his comments but he was criticizing or complaining about the nurses and about the long hours, and I think he mentioned about thirty-six hours, etc., and apparently they were being really abused and working too hard. Now I have checked into that - in the meantime, I did not think he was right - but I checked into it, now the nurses are not doing badly in this Province, Mr. Speaker. I know one, I checked with her, she is just starting her third year nursing, she makes about \$24,000 a year.

AN HON. MEMBER: Where to?

DR. MCNICHOLAS: In the Health Sciences Centre. She works a twelve hour shift. Now the nurses like twelve hour shifts. They do not want eight hour shifts. They only work eighty hours every two weeks. They work a forty hour week. In other words, they do seven shifts in fourteen days. One shift is an eight hour one, otherwise it would be eighty-four hours. And this lady starting third year is paid over \$11 an hour. Last year she was paid \$10.50, the year before something over \$10. Now if she is called back and is not given twenty-four hours notice - that she is required, she is paid double time, \$22 an hour. If she is given over twenty-four hours notice that she will be required, she is paid time and a half. And the nurses says, I am not sure exactly what they are being paid but their hours and their time on and off are the same. In other words, the nurses are two days on and two days off, three days on. The next week they are two days off, two on, and three off. And they are very happy

May 7, 1984

Tape 1372

NM - 2

DR. MCNICHOLAS:

with that.

I want to congratulate the Minister of Health (Mr. House) also in putting aside money for new hospitals. I think this new hospital in the district of the hon. Leader of the Opposition (Mr. Neary), I am sure he will say this is an excellent facility. The one that is well on its way in Clarendville is an excellent hospital and I am very glad to see that \$3 million is being set aside for the new hospital on the Burin Peninsula.

You know, I think the cottage hospital scheme in Newfoundland had been a first class service in its day. It has done yeoman service, it served Newfoundland very well, but I think the day of the cottage hospital is beginning to fade. I think you will just have to have small regional hospitals and a few main hospitals because with our transport today you can get people into the larger centres and you just will not get specialists to go to the smaller areas.

May 7, 1984

Tape No. 1373

SD - 1

DR. MCNICHOLAS: I know that. I know many of them and no matter how much we wish them to go there I do not think we are going to get them. I think we are getting a little bit lopsided at the moment, we have far too many general practitioners in the bigger centres, far too many general practitioners in St. John's, I know that, they are falling over each other, but we do not have enough specialists here. Now I will be quite blunt, I will tell you how you can get specialists here, you pay them, as simple as that. And if you do not pay them you will not get them because there are greener pastures elsewhere.

Now maybe we cannot afford to pay them and I know very well that the federal government - I have heard Monique Bégin raising her hands, I went down to hear her talking at the Newfoundland Hotel there some months ago - everything is going to be free. That is fine, I am for it. I like the idea of cutting out the \$5 hospital fee that patients have to pay. But where is the money going to come from? The federal government have cut down the amounts of money that they are giving to the provincial government for medical services. Now where are we going to get it? If we spend more money on medical services, we have to cut down on education, on the money that we are going to give to the poor.

MR. NEARY: MCP, is it going up or down?

DR. MCNICHOLAS: MCP is standing steady for the next two years and we are going to suffer in silence, okay.

MR. NEARY: It is not increasing?

DR. MCNICHOLAS: No, as far as I know it is going to be the same for the next two years.

The one thing that I liked in the medical scheme - I know it was only a small amount of money, I think it was \$600,000 - but I think it is very important, and it is this home care support. I think that should be expanded terrifically. If you take any of the hospitals here, the average cost per day goes from, I suppose, \$250 to \$750 a day.

May 7, 1984

Tape No. 1373

SD - 2

DR. MCNICHOLAS: Now if you can have nursing care, auxiliary care, for a large number of patients so that they can be treated at home, we are going to save a terrific lot of money. I think this is an area that we should explore far more. I am sure it is going to be a thing in the future that we are going to utilize far more than we have done in the past. I know the Jubilee Nurses have done that to a certain extent but their number and what they can do is very limited.

I going to leave the medical services, and I am sure you would all like me to talk about the fishery because you are all experts in the fishery like myself.

MR. TULK: We would like to hear your views on the fishery.

MR. NEARY: You have only attacked labour and the nurses since you started and did away with the Accreditation Committee.

DR. MCNICHOLAS: I am off that subject now and I am on to the fishery. And again it seems to me that our federal government is out to knife us in every way they possibly can. Last year we had the Northern

May 7, 1984

Tape No. 1374

MJ - 1

DR. MCNICHOLAS:

cod they wanted to dish out to foreigners, this year they are dishing out the caplin to the Russians. What else are we going to have? At least we have a new agreement and it is my hope it is going to work, but I can certainly see that there are going to be many more millions put into that before it works.

MR. NEARY:

They put the synchrolift down there in your district to try to accommodate the Russians what else do you want?

DR. MCNICHOLAS:

This was a federal Crown Corporation and they would not even put one cent into something that they owned. We had to turn around and put in our own badly needed money to get the synchrolift going and it is a great success. The rural development proposal, that has been on the mat for the last two years, and it was only yesterday or the day before that somebody came down to look into it. Marystown, do you think the feds will put a cent into that? We had to put \$8 million aside here to get something going. I could go on and on and on.

Anyway, Mr. Speaker, our big problem here in Newfoundland is unemployment. We all know that. The reason for that is, number one, the recession, number two is our weak economic base. Our economic base could be helped very much if we had a federal government that was sympathetic to Newfoundland, Unfortunately we have not. I would like to congratulate our Minister of Social Services (Mr. Hickey) on his employment opportunities programme. This is money to get people on welfare off the welfare list, and some of these people have never worked in their life and now they are productive individuals. The one thing that amazes me about that scheme is that we have asked many, many times that this will be a cost-shared programme with the federal government and

May 7, 1984

Tape No. 1374

MJ - 2

DR. MCNICHOLAS: even though it is relieving them of their burden to share the welfare cheque they will not do that. But they have done it for their favorite Province of Quebec. They share the employment opportunities programme with Quebec and as far as I know that is the only province in Canada that shares. We do not want handouts from Ottawa. All we want is a fair shake.

Now, Mr. Speaker, what we want is in the offshore. What we want is a meaningful control so that we will have an input that matters into what type of development it is going to be, who is going to be employed,

May 7, 1984

Tape 1375

PK - 1

DR. MCNICHOLAS:

to make sure that it is
Newfoundlanders who are going to be employed, and the type and
the progress and spread the thing out. We want to get the
biggest share of the resource until we get not the riches
Province in Canada but that we get to the average Canadian level.
And then we will be quite happily to reduce and take the small
share of that resource.

This is nothing new.

Take Ontario, Quebec, Manitoba they were given the Northlands,
What year was it, 1912? The Western Provinces, Manitoba,
Saskatchewan, Alberta, they were given their natural resource
rights in 1930. What is wrong about having constitutional
change that would give us our resources in 1985? And the
constitution is not written in stone, it has been changed,
and why should it not be changed for us?

Mr. Speaker, we have

a hard road ahead. We have to make sure that we can point
out clearly to the people of Canada that we have a just and
fair cause and that we are satisfied in the short-term to have
meaningful management and control and in the long-term
that we will get is what we actually brought into Canada
ourselves. That we will get -

MR. NEARY:

What did we bring in?

DR. MCNICHOLAS:

We brought in Hybernias and
all the other Hybernias that are there.

MR. NEARY:

We did not bring them in.

DR. MCNICHOLAS:

We did not lay claim to
them, but if we had not come into Canada, Canada would not have
them.

MR. NEARY:

We did not bring them in
any more than South Africa brought them in.

May 7, 1984

Tape 1375

PK - 2

DR. MCNICHOLAS:

Mr. Speaker, it is almost 6:00, So I am going to finish up, Mr. Speaker, by saying when we get that done I would like -

MR. SIMMS:

Adjourn the debate until the next day.

DR. MCNICHOLAS:

Yes, I think I will do that, I have quite a number of other things to say. When we have all of these things together, Mr. Speaker, as our Premier says and as he is saying right across the country now, and God speed him good luck to him, have not-will be no more.

SOME HON. MEMBERS:

Hear, hear!

DR. MCNICHOLAS:

Mr. Speaker, I would like to adjourn the debate.

MR. SPEAKER (Russell):

It is noted that the hon. gentleman for St. John's Centre has adjourned the debate.

The hon. President of the Council.

MR. MARSHALL:

Mr. Speaker, I move that the House at its rising adjourn until tomorrow, Tuesday, May 8, at 3:00 P.M. and that this House do now adjourn.

On motion the House adjourned until tomorrow, Tuesday, May 8, at 3:00 P.M.

Index

Answers to questions

tabled

May 7, 1984

*Tabled by Hon. Minister
of Finance, 7 May '84*

ORDERS OF THE DAY 18/84 APRIL 6, 1984

QUESTION 38: Mr. Neary (Leader of the Opposition) To ask the Honourable the Minister of Finance to lay upon the Table of the House the following information:

Details involving a guarantee of \$137,000.00 to Gerald Ryder and Walter Street giving the

- (a) purpose of guarantee;
- (b) guidelines for such guarantee;
- (c) agreements, correspondence, minutes of meetings etc. between Government officials and applicants;
- (d) any assets seized by Government to help recover all or part of the taxpayers' money in this instance;
- (e) details of any mortgages involved in this guarantee of taxpayers' dollars, or in the event of no mortgage, an explanation of the reasons why not and details of other ways Government tried to protect this guarantee;
- (f) details of any reclamation of properties - for example, seizure of boat by Government or any other items built or purchased by the monies guaranteed by Government and current status of these properties.

ANSWER:

- (a) to enable Messrs. Ryder and Street to secure long-term financing with regards to the purchase of the M/V "Donna Kay".
- (b) contained in the agreement between the Canadian Banker's Association and the Fisheries Loan Board (Schedule A attached).
- (c) attached please find:
 - 1) the Fisheries Loan Board's letter of commitment to the bank (Schedule B);
 - 2) the initial agreement between Messrs. Ryder and Street and the Fisheries Loan Board (Schedule C);
 - 3) the bank's letter outlining their repossession efforts (Schedule D);
 - 4) the Fisheries Loan Board's reply to the bank's repossession efforts (Schedule E); and
 - 5) Government's letter of guarantee to the bank (Schedule F).

- (d) the vessel itself. This repossession action was initiated by the bank and after their efforts failed to produce a sale, they demanded payment in full under the guarantee (principal of \$107,700 plus accrued interest of \$47,111.58 and legal fees of \$1,874.15). Upon Government making payment under the guarantee, the vessel became the property of the Crown.
- (e) a First Ship's Mortgage taken out by the bank in the amount of \$107,700.
- (f) as mentioned above, the bank (as the sole lien holder) repossessed the vessel and offered it for sale by public tender. After several unsuccessful attempts to sell the vessel, the bank demanded payment under Government's guarantee. Upon payment of the same, the vessel became the property of Government.

Subsequent to this, officials of the Fisheries Loan Board requested an appraisal of the vessel with a view towards offering it for sale by public tender and applying the proceeds towards the loan. This resulted in an appraised value of \$114,850 being placed on the vessel. All that remains now is for the vessel to be offered by the Board for sale by public tender which it plans to do once the opportunity presents itself. At the present time the vessel is "iced-in".

FISHERIES LOAN BOARD - BANK LOAN GUARANTEE PROGRAMGeneral Guidelines

Under Part I, Section III of the Fisheries Loan Board - Bank Loan Guarantee Program, the following general guidelines are given in order to assist the Chartered Banks in assessing eligibility for loans under the Program.

ELIGIBILITY REQUIREMENTS FOR A LOAN

A loan can be made to a fisherman or group of fishermen who:-

- a) is of legal age, a Canadian citizen and is a resident of Newfoundland and Labrador, and,
- b) has had fishing experience as a full time fisherman during the last two years as either an apprentice (crewman), an owner operator or co-owner operator for the fishing season in his region, and,
- c) has obtained 75% of his income from the harvesting sector of the fishery in each of the past two fishing seasons in his respective region, and,
- d) satisfies the Board and the Bank that he has the experience and training with regard to handling and maintenance of a particular vessel and equipment, and,
- e) can demonstrate to the Board and the Bank he has sufficient licences to enable him to have the potential earning power to repay the loan.

ELIGIBILITY REQUIREMENTS FOR A BOUNTY

A bounty may be paid to a fisherman or group of fishermen who:-

- a) is of legal age, a Canadian citizen and is a resident of Newfoundland and Labrador, and,
- b) obtains a permit to build the boat before construction starts, and,
- c) as an owner operator or co-owner operator has not obtained a vessel bounty within the last eight (8) years, and,

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- d) has had fishing experience as a full time fisherman during the past two years either as an apprentice (crewman), an owner operator or co-owner operator for the fishing season in his region, and,
- e) must have obtained at least 75% of his income from the harvesting sector of the fishery in each of the past two fishing seasons in his region, and,
- f) satisfies the Board and the Bank that he has the experience with regard to the handling and maintenance of a particular vessel or equipment.

DOWN PAYMENT RATES

Section 5 of the Program refers to the fact that the borrower will be required by the Banks to make a down payment of 10% of the overall cost in the case of the construction or purchase of a new or used vessel and of 15% for any other loans. As a general guideline, the same authority which is given to the Fisheries Loan Board shall apply to the Bank Loan Guarantee Program. In this regard the approval of an application by the Banks shall be subject to the conditions that the applicant deposit with the Bank the required down payment or satisfy the Bank that the applicant will contribute the equivalent of such 10% or 15% in labour and materials with respect to vessels classified as "Backyard Construction" or equivalent equity in vessels with regard to financing of engines and equipment.

BORROWERS

A borrower, under the Fisheries Loan Board - Bank Loan Guarantee Program, will be classified as either a fisherman or group of fishermen only.

APPROVED SHIPYARDS

The Fisheries Loan Board will maintain a list of approved shipyards and any boat or hull constructed for a fisherman obtaining loan financing from the Banks may be constructed only by a person who is designated on the list as an accepted builder. The only exception to this is in the case of backyard

3

3

construction, where the Board will classify a fisherman as a builder and he will be treated in a similar manner as an approved shipyard.

CONSTRUCTION LOCATION

Loans and bounties may only be granted for the construction of new vessels which are built within the Province.

BOUNTY RATES AND RULES

The bounty rates are as follows:

For open type vessels over 25 feet (\$45 per foot).

For decked vessels up to 10 tons underdeck (\$45 per foot).

For decked vessels over 10 tons and up to 20 tons underdeck
(\$1,050 per underdeck ton).

For decked vessels up to 75 tons underdeck (\$1,300 per underdeck ton).

The decked vessels in this range are usually 35 to 65 feet and bounty will be payable for the construction of vessels from wood, steel, fibre glass and aluminum.

All building of vessels must be completed within two years after the permit to build has been issued.

Bounties for Re-Building and Re-Construction will only be paid for decked boats over 10 tons which are over eight years old and registered in Newfoundland for at least five years. In those cases the rebuilding or reconstruction must be completed in one year after the permit has been issued. The bounty rate will be 35% of the approved cost.

PROCEEDS OF SALE

If a borrower sells an asset previously financed by the Fisheries Loan Board, then in order for him to avail of financing available under this Program, he must agree with the Bank to apply toward the new loan his net proceeds from the sale of such asset after repayment of any loans, Provincial Bounty or Federal Subsidy.

CONTACT PERSONS

The following persons are available to be contacted by the Chartered Banks concerning problems in the following areas:

1. Problems concerning technical assessments, appraisals or inspections and all other matters of a technical nature can be referred to Mr. Alex H. McGruyer II, Mr. Bill Janes or Mr. Len Edwards.
2. Matters of a financial nature can be referred to Mr. Sid Blundon, C.A., or Mr. Clyde Hickman.
3. Matters involving loan policies and procedures of the Board can be referred to Mr. D. C. Jerrett or Mr. F. E. Penney.

Hon. James Morgan,
Minister of Fisheries.

May 6th, 1980

U
Schedule B

May 6, 1981

Bank of Nova Scotia
Church Street
P.O. Box 249
Bonavista, Nfld.
AOC 180

Attention: Mr. B. Oldford

Dear Mr. Oldford:

Re: Gerald Ryder & Walter Street
Bonavista, Nfld.

At a meeting of the Fisheries Loan Board held May 5, 1981 the above mentioned fisherman's application for subsidization of interest and loan guarantee to construct a new 45 ft. longliner costing \$137,000. was considered and approved; the loan amount not to exceed \$107,700. arrived at as follows:

Cost of boat		\$137,000.00
Down payment	\$13,700.00	
Provincial Bounty	15,600.00	
Loan amount	107,700.00	
	<u>\$137,000.00</u>	<u>\$137,000.00</u>

We have also been advised that the warranty on the engine in this boat is good until November 30, 1981, the end of the fishing season in that area. The suggested term for this loan is 10 years.

Please advise when financial arrangements have been made so a permit can be issued at the same time you should request interim financing guarantee.

We are enclosing three subsidy agreements which are to be signed by the applicants and returned to the Loan Board.

Sincerely yours,

D.C. Jerrett
Secretary to the Board

DCJ/av
Enclosures

cc Regional Office, D

va Scotia

"Schedule C"

AGREEMENT made at St. John's this Sixth day of May
19 81.

BETWEEN: THE FISHERIES LOAN BOARD OF NEWFOUNDLAND (hereinafter
referred to as the "BOARD") of the first part

AND: Gerald Ryder and Walter Street of Bonavista, Nfld., Fishermen
(hereinafter referred to as the Applicant) of the
second part

WHEREAS the Applicant has applied to the Board for interest
subsidy in respect of a loan in the amount of \$107,700.00
granted by the Bank of Nova Scotia (Bank) on the Fifth
day of May 19 81;

AND WHEREAS the Board has agreed to grant an interest subsidy
under the following terms and conditions;

NOW, THEREFORE, for and in consideration of the covenants herein
and the sum of One Dollar (\$1.00) the receipt and sufficiency of
which is hereby mutually acknowledged, it is agreed between the
parties as follows:

1. The Board agrees:

- (a) to pay the Applicant an interest subsidy, provided that
the Applicant has qualified and obtained a loan from
the Bank;
- (b) to pay the Applicant an interest subsidy of a sum
equivalent to the difference between eight (8) percent
per annum (The Board's rate) and the interest rate which
the Applicant has agreed to pay on the loan to the bank;

- (c) to pay the interest subsidy on a quarterly basis upon receipt of a notice from the Bank that the applicant has paid the interest on the loan, and a statement of the outstanding principal and the applicable interest rate.
2. The Applicant agrees, for the duration of the loan:
- (a) to keep the vessel actively engaged in fishing operations during the fishing season in a manner satisfactory to the Board;
 - (b) to keep the vessel and equipment in an efficient and seaworthy condition and to permit inspection of the vessel at all reasonable times by persons authorized by the Board, and to make no major modifications, alterations or changes to the vessel without the written approval of the Board.
3. The Applicant further agrees that in case of sale of the vessel during the designated life of such vessel (which designated life shall have the same meaning as that attributed under the Bounty Regulations) upon which the Board has provided interest subsidy, any net gain will be applied towards any further loans, in the event the Applicant requires further assistance.
4. In case the Applicant fails to fulfill the conditions in paragraph 2 above, the Board may require the Applicant to repay any unearned subsidy.

5. This Agreement and everything herein contained shall enure to the benefit of and be binding upon the parties hereto and their heirs, executors, administrators, assigns or successors as applicable.
6. For new boats, the Board and the Applicant agree that the work on the vessel shall commence on or before 19 and be completed not later than *1912* 19. If for any reason the commencement or progress on the work is so delayed as to defer the completion date for more than days the Applicant shall promptly advise the Board in writing stating the reason for such delay and the date by which completion is expected.

IN WITNESS WHEREOF the parties have hereunder set their hands and seals.

SIGNED, SEALED AND DELIVERED

in the presence of:

Witness

Witness

x
Applicant

Gerald Ryder

x
Applicant

Walter Street

Chairman, Fisheries Loan Board

THE BANK OF NOVA SCOTIA
 Regional Office, 152 Water Street, P.O. Box 1680, St. John's, Nfld., Canada A1C 5P5
 NOV 9 2 1983
 RECEIVED
 November 1, 1983
 for reply
 CH
 83-11-92
 The Fisheries Loan Board of Newfoundland
 5th Floor
 Atlantic Place
 St. John's, Newfoundland
 Attention: Mr. David Patrick

Schedule D

Dear Sirs:

RE: Gerald Ryder & Walter Street -
 Fisheries Improvement Loan in Default
 Provincial Government Guarantee Program

In our letter of August 26, 1983 we informed you of our efforts to arrange sale of the M/V "Donna Kay". As you know, Ham-Mac Brokerage at Gander, Newfoundland had the vessel listed for several months but were unsuccessful in getting a buyer.

Our Bonavista Branch listed the vessel for sale in local Newspapers on several occasions, the last was a final effort in July 1983. Only one offer was received in the amount of \$50,000 from a Mr. Roy Sweet of Catalina, Nfld.

We are now informed Mr. Sweet is unable to make good his offer because efforts to dispose of his present fishing vessel were contingent upon the prospective buyer selling his present fishing vessel. There is no prospective purchaser forthcoming for the latter vessel.

In view of the foregoing, we feel that we have pretty well exhausted our efforts to dispose of the vessel, "Donna Kay" and therefore propose to submit our Claim for Loss by November 15, 1983.

This information is being passed along for your benefit. Also, we might mention that the matter was discussed in a telephone conversation with Mr. Keith Barry on October 28, 1983.

Yours very truly,

R. Howell
 Asst. Administrator

ST. JOHN'S

with:
16 file in your
bank file system
JJP
8/11/83

"Schedule E"

1983 11 22

The Bank of Nova Scotia
Regional Office
P. O. Box 1680
St. John's, Nfld.
A1C 5P5

ATTENTION: Mr. R. Howell
Assistant Administrator

Dear Sir:

Subject: Gerald Ryder & Walter Street
Bonavista

This will reply to your letter dated November 1, 1983 concerning the above-captioned fishermen and your unsuccessful efforts to effect sale of the M/V "DONNA K." which was repossessed from Messrs. Ryder and Street because of default on their loan account.

We have had discussion with the Department of Finance on the Provincial Government's Guarantee for the loan which Messrs. Ryder and Street had with your bank and we wish to advise that where you have complied with the requirements of Section 18 of the Bank Loan Program Agreement, then it would be in order for you to make a claim under Section 20 of that Agreement.

If you require any further information on the above, please do not hesitate to contact me.

Yours truly,


J. J. Peddle
Comptroller

JJP/cm
cc Mr. B. Condon
Département de Finance



Schedule F . 1

GOVERNMENT OF NEWFOUNDLAND AND LABRADOR

DEPARTMENT OF FINANCE

OFFICE OF THE MINISTER

May 29, 1981


CONFEDERATION BUILDING
ST. JOHN'S A1C 5T7

Manager
Bank of Nova Scotia
P.O. Box 249
Bonavista, Nfld.
AOC 1B0


In consideration of the Bank having agreed to abide by, and having made an interim financing loan pursuant to and under the terms and conditions set down in Order-in-Council No. 430-'80 dated the 22nd day of April, A.D. 1980, to Mr. Gerald Ryder and Walter J. Street, Bonavista, Newfoundland, I, the Minister of Finance of the Province of Newfoundland pursuant to the powers conferred on me by law and by the said Order-in-Council hereby guarantee to the Bank, subject to the proviso hereinafter contained, the repayment of the said loan in the amount equivalent to the construction cost of \$137,000.00 plus legal fees and any applicable interest capitalization during construction, less downpayment of 10% thereon and less any receipted Federal Subsidy and Provincial Subsidy together with interest thereon at the effective rate of the loan and together with any loss or damage which the Bank may sustain or incur by reason of the default of the borrower in repayment of the Loan;

PROVIDED nevertheless that liability under this Guarantee is limited to the extent of progress payments made by the Bank which has been approved by the Fisheries Loan Board of Newfoundland in accordance with the inspection provisions of the said Order-in-Council.

IN WITNESS WHEREOF the Minister of Finance has executed this Guarantee the day and year first above written.


J.F. COLLINS F.R.C.P. (E)
Minister of Finance

Witness:


M. Power

Telephone (709) 737-2360

Telex 016-4132

Telecopier (709) 737-2360

*Tabled by Hon. Minister
of Finance, 7 May '84*

ORDERS OF THE DAY 20/84 Tuesday, April 10, 1984

Question 44: Mr. Hodder (Port au Port) - to ask the Honourable the Minister of Finance to lay upon the Table of the House the following information:

Details of the amount of money his Department has taken in on a monthly basis as a result of the Retail Sales Tax since March, 1983.

Answer: Retail Sales Tax Receipts for March, 1983 to March, 1984 are attached.

RETAIL SALES TAX

	<u>R.S.T. REVENUE RECEIVED</u>	<u>R.S.T. RECEIVED ON GOVERNMENT PAYMENT VOUCHERS</u>	<u>TOTAL R.S.T. RECEIVED</u>	<u>R.S.T REFUNDS</u>	
April, 1983	22,558,798	(1)	22,558,798	(2)	
May, 1983	23,801,471	138,161	23,939,632	59,119	May
June, 1983	23,729,816	140,120	23,869,936	26,450	June
July, 1983	27,461,562	318,172	27,779,734	41,411	July
August, 1983	29,480,513	777,315	30,257,828	88,161	August
September, 1983	26,794,218	743,519	27,537,737	28,374	September
October, 1983	27,478,660	797,020	28,275,680	50,753	October
November, 1983	24,137,394	732,179	24,869,573	89,417	November
December, 1983	25,679,339	755,063	26,434,402	74,851	December
January, 1984	35,174,256	671,411	35,845,667	37,921	January
February, 1984	23,795,752	621,682	24,417,434	41,524	February
March, 1984	<u>22,122,199</u>	<u>873,464</u>	<u>22,995,663</u>	<u>47,980</u>	March
	<u>312,213,978</u>	<u>6,568,106</u>	<u>318,782,084</u>	<u>585,960</u>	

(1) Due to the small volume of new year R.S.T. received in April, both April and May revenues are included in the May figure, of \$138,161.

(2) Refunds for April relate to revenues of the previous fiscal year and are therefore excluded.