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VERBATIM REPORT

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SPEAKER: THE HONOURABLE GEORGE W. CLARKE

The House Met at 3:00 P. M.

Mr. Speaker in the Chair.

MR. SPEAKER: Order.

HON. J. R. SMALLWOOD: (PREMIER): Mr. Speaker, I am sure that Your Honour would want me to invite your attention and the attention of the House to the fact that we have in the Gallery today seventeen fishermen from Northern Labrador, who are here in St. John's attending the College of Fisheries, and on Friday a week from today they are going to graduate with their diplomas in maintenance and net repairs. We are very happy that they are here. They are very, very welcome. We are very pleased that they are here, the Opposition are pleased, the Government are pleased, everybody in the House is delighted.

Also Your Honour, two clerics, two clergymen, the Reverend Francis Buckle, the Anglican priest at Bell Island, and the Reverend Father McHugh, who has recently gone to that Island, we are very glad that they are here, we welcome them warmly, and I hope that they will enjoy their visit.

MR. A. J. MURPHY: (LEADER OF THE OPPOSITION): Mr. Speaker, I would like to join with the hon. the Premier in welcoming to this House, I have here students from Labrador attending the College of Fisheries. And I am sure as the Premier has said, both sides of this House are very happy to see these gentlemen here. And I am sure that their tenure at the College of Fisheries will prove very advantageous indeed to that great mainland part of our Province, Labrador, and when they return home they will certainly bring back with them many ideas that possibly could be used to improve their livelihoods and perhaps encourage their fellow Labradorians, if you like, to still continue the fishery.

I, too, would like to join in welcoming the Reverend Father McHugh and Reverend Mr. Buckle from Bell Island, I am sure, these gentlemen are sitting in this House with us today. We people here think we have worries discussing the estimates, but I would not like to share at all the worries

MR. MURPHY: that these two reverend gentlemen have in trying to deal with the matters on Bell Island.

And if I may be pardoned, Mr. Speaker, in addition I welcome a very distinguished gentleman to this House, who also sits in the Speaker's Gallery, in the person of Colonel Jack Marshall, M.P. for Humber St. George's and I am sure that anybody who has been following proceedings in the House of Parliament can only say and congratulate the hon. member for the tremendous job he is doing, not only for his own district, but for all the Province of Newfoundland. So Mr. Speaker I would concur very much with the hon. the Premier in welcoming these distinguished people to our House and also Colonel Marshall.

HON. S.A. NEARY: (MINISTER OF WELFARE): Mr. Speaker, I would like to join with the other hon. gentleman in welcoming the Reverend Father McHugh and the Reverend Francis Buckle to this Honourable House. I might point out, Mr. Speaker, for the information of members that I think their visit to St. John's today has to do with the Bell Island Association, which is carrying on a program of self-help on Bell Island, which is a very commendable program, and this year it has been a tremendous success.

I would also like to welcome the fishermen from Northern Labrador Mr. Speaker, I might point out that although it is the Canada Manpower Centre that is running the program, the program was set up in co-operation with Canada Manpower through the branch of the Northern Labrador services and my department, which is a part of the rehabilitative process that is now going on in the Department of Social Services and Rehabilitation.

MR. J. C. CROSBIE: Mr. Speaker, I would like to welcome the Reverend gentlemen from Bell Island and hope that they had success in their endeavours on Bell Island in their attempt to strengthen the economic and the community life of Bell Island. We wish them every success, including success in their school problems on Bell Island.

We also like to welcome warmly the students from the Fisheries College

Mr. Crosbie; from Northern Labrador, it is certainly a worthwhile project and we hope that when they return to Labrador and go fishing that they will have a successful season not only this year, but for many years to come, and that their productivity per man will be improved with the new technique that they are learning at the Fisheries College here in St. John's.

I would also like to welcome, Mr. Speaker, Mr. Jack Marshall the member of Parliament for Humber St. George's, No matter what his party affiliation is, I think that he should be warmly welcome because he certainly made his presence felt in Ottawa on the national scene for Newfoundland. He is a very popular gentleman on the West Coast of this Province and in his district. And we wish him well in the rest of his term in the House of Commons. and hope that he will continue the great efforts that he has been making to date.

HON. E. WINSOR: (MINISTER OF LABRADOR AFFAIRS): Mr. Speaker, I was not aware of the gentlemen from Northern Labrador in the Gallery, being a bit late getting here, but I would say "Eletanamek". Mr. Speaker, this program has certainly been one of great help and assistance to the people of Northern Labrador, especially our friends the Eskimos, When you think Mr. Speaker that those gentlemen have to come within a completely new environment to learn their trade and their accomplishments are certainly worthy of note. We have had during the past two or three years, for the first time in the history of the people of Labrador North, and when I say the people of Labrador North now I am especially thinking of our Eskimo friends, those who have pursued the study of navigation and have obtained certificates of competency to navigate small boats up to a 150 tons. This in itself Sir is a great achievement. I can only say to them, I am very happy that you had the opportunity to visit the House of Assembly, and to see where your member sits. I am sure you will appreciate the good job which he is doing, If it were not perhaps for him, you would not be here today. I am sure you appreciate that, and when the time rolls around as you always

MR. WINSOR: do, you will show your appreciation in the usual manner.

Mr. Speaker, I, too, would like to join the other hon. gentlemen in welcoming Colonel Marshall, ^{You are} welcome here Sir and may you continue your good work in the higher seat.

MR. T. BURGESS: Mr. Speaker, on behalf of Labrador West, I would like to join with the previous speakers in welcoming the students from the Fisheries College from Labrador North. Anything that can possibly learned to improve the conditions of the fisheries on the Labrador Coast cannot but help to be of great benefit to the future and welfare of these people.

Last week, I think, there was a dispute as to whether greeting visitors should be used as a political forum but the hon. the Minister of Labrador Affairs has done it, but possibly there is an element of truth in what he has said.

I would also like to welcome sincerely Reverend Buckle and Reverend Father McHugh from Bell Island and for the information of this House, Reverend Buckle is originally from Forteau on the Southern Labrador Coast. And I am sure that he is making a contribution to Bell Island that is very worthy, in the same manner as he did for the Coast of Labrador.

To Mr. Marshall I extend also a sincere word of welcome and I just appreciate the fact that he is doing a good job in Ottawa and hope that he keeps the good work up.

MR. G. MYRDEN: Mr. Speaker, I would like to have a few words, I would like to welcome the gentlemen from Labrador North and also the Reverend gentlemen from Bell Island. But in particular I would like to welcome a very long time friend of ^{mine}, Colonel Jack Marshall, who, although politically, we have not seen eye to eye all the time, has been a great help to me and to the people of St. Barbe South district. He is a man, Sir, who has done a great job in the higher seat of Parliament in Ottawa, and I am sure that in Corner Brook he has left his mark both in the military end of it and also in the sports end of it. But if I remember correctly and I do, Mr. Jack Marshall

MR. MYRDEN: was the President and driving force behind the lumber Stadium which we now have in Corner Brook, and which we are very, very proud of. I welcome him Sir on behalf of our group, and I hope he enjoys his short stay.

PRESENTING PETITIONS

MR. H. COLLINS: Mr. Speaker, I have a petition to present from the people of Appleton which is a small community on the southside of the beautiful Gander River, in connection with the announcement which the hon. Minister of Highways made last week concerning a road construction program. While the people are very pleased and happy with the announcement that the main road through that community is being upgraded and paved, they also requested me to bring to the attention of the minister through a petition, the need for reconstruction and upgrading of a very short section of road which joins the main road through the town with the Trans-Canada Highway. They say that the road is about 500 yards in length, it is desperately in need of upgrading and they say that pavement would of course be the ideal situation. But the main problem now is that it does not have adequate ditching and on occasions, so the petitioners claim, on certain occasions, especially during summer weather, there is a terrible odor which in our minds is a health hazard. They are requesting the minister to take a look at this and see what he can do, especially in view of the fact that there is a great amount of highway work taking place in my district and in the immediate area of Glenwood, both east and west, and in Appleton itself. And we are hopeful that the minister can find ways and means to meet the request of those fine people. It gives me pleasure, Sir, to table this petition, and have it referred to the department to which it relates.

MR. SPEAKER: Moved and seconded that this petition be received and referred to the department to which it relates.

MR. R. BARBOUR: One good thing deserves another, every petition that I

MR. BARBOUR: have presented in this honourable House, since the hon. the member for Gander has been here he has rose and he has seconded, I would like to , and supported it, I would like to support the prayer of the petition. I have a great many friends at Appleton, and I can assure you that the Minister of Highways is very concerned and is doing everything in his power and I have great pleasure in supporting the petition.

MR. SPEAKER: Moved and seconded that this petition be received and referred to the department to which it relates.

HON. JOHN NOLAN: (MINISTER OF SUPPLY): Mr. Speaker with your permission, I would like to read the following statement issued jointly by the Government and the Newfoundland Government Employees Association....

"In the past ten days Treasury Board and the Executive of the N.G.E.A. have been meeting to consider the proposed salary increases for Government Employees for 1970-71. As a result of these ^{meetings} the Government and the N.G.E.A. wish to make the following release to clarify various issues which have arisen concerning the 1970-71 salary increases, the implementation of the classification plan and the introduction of collective bargaining. (1) Salary offer. The Government have made an offer to many of its employees in the public service for a salary increase of \$45 per month across the board, retroactive to April 1st. 1970, in addition to the full normal annual increment for which employees were eligible at April 1st. 1970. The ceiling of \$180 placed on increments has been removed and employees are entitled to their full annual increment of \$50, \$100, \$120, \$180 etc., if they were eligible for it at April 1st. 1970. The exceptions to salary offers; Certain groups of employees are not to receive the most recent offer for salary increases, and these groups include (1) Deputy Ministers and equivalent and medical doctors paid directly by the Department of Health. (2) Teachers at the School for the Deaf, Girls Home and Training School, Boys Home and Training School, and similar Government educational institutions. This group will receive an increase at the same time as

MR. NOLAN: day time teachers. (3) Instructional staff including principals, vice-principals and department heads at the College of Fisheries, College of Trades and Technology, District Vocational Schools, and Adult Training Centres, this group will be dealt with separately. It is Government's intention to introduce new salary scales for instructional staff at these institutions. The new salary scales will be related to each other in order to avoid the inequities, anomalies and inconsistencies now existing. And it is also intended to introduce regulations to provide for improved conditions of employment. Government, therefore, will carry on negotiations with the N.G.E.A. who presently represent these groups respecting salaries and conditions of employment. Members of the public safety groups and certain Mental Hospital Employees, these groups are receiving higher increases.

Public Safety Groups - The Public Safety Groups, firemen, policemen, and warders, will receive a \$100 a month across the board increase effective April 1st, 1970. This increase includes any increments to which they were entitled at April 1st, 1970.

Mental Hospital Workers - Psychiatric Nursing Assistance at the Hospital for Mental and Nervous Diseases will receive an increase of \$50 per month across the board retroactive to April 1st, 1970 on top of the normal annual increment due April 1st, 1970. Now in addition Government intends to continue negotiations with the N.G.E.A. to establish extra remuneration for these employees in recognition of their additional training in fields directly related to their work. The salary increase for the graduate nursing staff and the x-ray and laboratory technologists to the hospital is subject to negotiations presently being conducted between the Minister of Health and representatives of these groups.

Now for specific groups included in the salary offer. Specific clarification was requested by the N.G.E.A. as to whether certain groups

4838

MR. NOLAN: would in fact receive the increase. And these groups are (1) Medical Care Commission Employees, (2) Open vote employees of the Department of Highways, Public Works, and Mines, Agriculture and Resources, it has been confirmed that employees in (1) and (2) above will participate in the increases. (3) Employees of the Workmen's Compensation Board; the Workmen's Compensation Board often grant salary increases to its employees which are equivalent to increases offered by the Provincial Government to its employees. Whether or not the Board will request approval of Government for an increase of \$45 per month, plus increment for its employees is a matter for the Board itself to decide.

Next the Classification Plan

MR. NOLAN: The Government intends to proceed with the adoption of the classification plan. It also intends to proceed with the introduction of the companion pay plan in consultation with employee groups through collective bargaining. These plans should be introduced April 1, 1971, with the pay adjustments necessary to bring the plan into effect. And salary increases for 1971 as well as the formula for installing the pay plan are subject to negotiation. As of April 1, 1972, the annual increments under the pay plan will be five percent.

Appeal Board: As Government intends to proceed with the implementation of the classification plan, the terms of reference of the Appeal Board should be developed in conjunction with the consultation, or with the consultations with employee representatives.

The next Item is Joint Council. Even before the present issues respecting salary increases arose, Cabinet was of the opinion that some revision of the format of the Joint Civil Service Council was needed. This matter is now under active consideration by Cabinet, and employee representatives will be kept informed, and their views welcomed.

Legislation on collective bargaining. The preparation of legislation on collective bargaining is now being proceeded with, and the draft bill will be sent to the employee representatives for their views when the draft is completed.

And finally, Negotiations. Various committees representing the Treasury Board have been formed ⁱⁿ the past couple of weeks to act, as I am sure, the House is aware, as negotiators for Government in respect of salary demands from various groups. Until such time as collective bargaining is formally introduced, Treasury Board will continue to represent the Government in negotiations.

Now this statement has been signed by myself for the Government, and as president of Treasury Board, and by the president of the Newfoundland Government Employees Association, Mr. Bill Noseworthy, and he is presently making a similar statement, I would assume, to the Press at

this time. Thank you Mr. Speaker.

MR. COLLINS: By way of clarification, I wonder would the minister tell us whether people of different levels in a particular grade, for instance a person starting off in a particular grade, on the bottom of the rung as it were. You have some in the middle and some at the top. Does this raise apply to all the people in any particular grade, the people who have reached the maximum in their particular classification?

MR. NOLAN: Yes. That is right. The only ones that I did mention there were the doubtful ones as I understand it, and this is what centered around our discussions in the Treasury Board. I believe the only honest answer I can give you to your question is yes.

ANSWERS TO QUESTIONS:

HON. J. R. CHALKER (Minister of Public Works): Mr. Speaker, on the Order Paper of April 10, asked by the hon. member for St. John's West. I wish to table that answer. No. (384).

MR. MYRDEN: Mr. Speaker, before you move on to Orders of the Day, I would like to ask the Minister of Fisheries a couple of questions here. Has the minister or the Government received any complaints from the fishermen or others along the St. Barbe Coast, concerning the draggers situation? And if they have, what have they done about it?

HON. E. WINSOR: Mr. Speaker, I should take this as a notice of question, but rather than delay the answer, it is a responsibility of the Federal Department of Fisheries. I have received a telegram and I forwarded it to Mr. Bradley out in the Federal Department.

MR. BURGESS: Mr. Speaker, before moving on, I would like to ask a question of the hon. the Premier, and that is has the Government received a request from the local improvement district of the City of Wabush for assistance from the Government towards the construction of a stadium or an arena in Wabush, Labrador. And if so, what date was the request received? And has the Government through the hon. the Premier informed the representatives of the local improvement district

in Wabush that no Government assistance would be given to the project of establishing a stadium or an arena in Wabush?

MR. SPEAKER: That is a question which would be more appropriately placed on the Order Paper.

MR. BURGESS: Just one more question, while I am on my feet, to the Minister of Highways. Has the Minister of Highways received a request from the residents of Northwest River or Happy Valley, relative to the repair of the road from the town of Happy Valley to Northwest River, which has been impassable for quite a number of days?

MR. CROSBIE: Mr. Speaker, I would like to ask the Minister of Labrador Affairs is he aware of the situation at Churchill Falls which appears to be a situation where injustice is being suffered. And the situation I am referring to is this: I have received a complaint today of a worker just back from Churchill Falls. Last Monday was a holiday in Churchill Falls, and apparently - Mr. Chairman, on Orders of the Day this is a matter of a great injustice happening in Labrador which I wish to bring to the attention of the House.

MR. SPEAKER: Will the hon. member ask his question?

MR. CROSBIE: It is not going to be a speech Mr. Speaker. I am leading up to the minister's question, that there was some trouble in Churchill Falls last Monday which was a holiday. And that a number of men, working at Churchill Falls, were arrested because of a disturbance there, fined by the R.C.M.P. or bail taken from them. Their trial set down for June 11 at Churchill Falls, and then they were taken by the Security Personnel of Churchill Falls

MR. SPEAKER: This is not a question. This is a statement supplying a whole long lengthy string of information to the House. It is not a question.

MR. CROSBIE: On Orders of the Day, members are entitled to bring to the attention of the House, not only urgent questions, but also urgent

matters where injustices are being suffered.

MR. SPEAKER: If the hon. gentleman wishes to raise this in some other manner, let him find the correct manner to do so. Do not raise a question such as this, where a preamble is a long speech containing a lot of information and it is not a proper question.

MR. CROSBIE: Mr. Speaker, I understand that on Orders of the Day, not only can questions be asked that are urgent, but urgent situations can be brought to the attention of the House, and this is an urgent situation, where injustice is being done at Churchill Falls. That is what I am bringing to the minister's attention. He may already have heard about it and be taking steps that men have been removed from Churchill Falls

MR. SMALLWOOD: To a point of order! To a point of order! Bally boy!

MR. CROSBIE: How childish!

MR. SMALLWOOD: The point of order Mr. Speaker, is that the hon. member is defying Your Honour's ruling completely. It is completely out of order to do anything but ask a question. Completely out of order. Or move the adjournment of the House.

MR. CROSBIE: Mr. Speaker, I wish to move the adjournment of the House to discuss a definite matter of urgent public importance. And that matter is, the matter of recent disturbances at Churchill Falls on last Monday, which was a holiday at Churchill Falls. In this particular instance there was a disturbance outside one of the Mess halls.

MR. SMALLWOOD: Where is the Motion Mr. Speaker?

MR. CROSBIE: I am explaining Mr. Speaker, what the urgent matter is.

MR. SMALLWOOD: The question?

MR. SPEAKER: Continue.

MR. CROSBIE: Thank you Mr. Speaker, I thought the Premier was going to sock me. ---- where men were arrested for being engaged in a scuffle outside a Mess hall in Churchill Falls without a trial. Bail of fifty dollars was taken from them by the R.C.M.P. and trial was set for June 11,

when the magistrate visits Churchill Falls. The men were then taken by the Security police of the Churchill Falls Joint Venturers, and put on the next plane out of Churchill Falls, despite the fact that their employers did not wish them removed from the site. So that they have no way now of returning to Churchill Falls except at tremendous expense to defend themselves on June 11, when these matters come before the Magistrate's Court. This is the urgent matter that needs debate in this House now Mr. Speaker. If this is happening in some part of Newfoundland, it should be stopped. And the Government should take immediate efforts to see that justice is done. Here are men, not convicted.

MR. SMALLWOOD: The Motion Mr. Speaker, question

MR. SPEAKER: The debate goes on if the Motion is accepted.

MR. CROSBIE: That is the Motion. The Motion is being written out now Mr. Speaker.

MR. SMALLWOOD: Mr. Speaker, I hold that this is not a matter for the debating of which is right that we should defer all other business of the House. The matter is already before the attention of the Government. It has been drawn to my attention this very day and steps are being taken and enquiries are going on. And it is no matter for dropping all other business of the House to debate. Merely debating it is going to change nothing, or very little. The action is being taken already by the Government.

MR. MURPHY: If I may speak on this Motion? The hon. member for St. John's West apparently wants to ask a question of Government, with reference to this matter. This was refused.

MR. SMALLWOOD: He did not ask a question.

MR. MURPHY: He did not get a chance to ask his question.

MR. SMALLWOOD: No, because he made a speech.

MR. MURPHY: Let us use courtesy please. Let us use courtesy in this House towards each other. Let us be sensible for a change. There are dozens

of people watching this exhibition.

MR. SMALLWOOD: Let us obey the rules.

MR. MURPHY: But Mr. Speaker, I feel that the question is being answered, and I think this is the question that the hon. member wanted that some action is being taken, and the matter is closed, instead of going through all these foolishness every day of the week like a bunch of children.

MR. CROSBIE: Since we are now informed by the Premier that the Government is looking into this matter and taking some action on it, I will withdraw the Motion. There would have been no need for the Motion if that information had been given when asked.

MR. SMALLWOOD: If the question had been asked, it would have been answered.

MR. CROSBIE: I was unable to ask the question because of the rudeness of the hon. the Premier. He would not permit the question to be asked.

MR. SMALLWOOD: Bully boy!

MR. CROSBIE: Ignorant!

MR. SPEAKER: Order please!

ORDERS OF THE DAY

On Motion of the hon. the President of the Council, A Bill, "An Act To Authorize The Lieutenant-Governor In Council To Enter Into An Agreement With Churchill Falls (Labrador) Corporation Limited Further To Amend The Lease Executed And Delivered In Pursuance Of The Churchill Falls (Labrador) Corporation Limited (Lease) Act, 1961, As Amended, And To Make Statutory Provisions Relating To The Lease," read a first time, ordered read a second time on tomorrow.

On Motion of the hon. the President of the Council, A Bill, "An Act Further To Amend The British Newfoundland Exploration Limited Statute And Agreement (Amendment) Act, 1970," read a first time, ordered read a second time on tomorrow.

On Motion of the hon. the President of the Council, A Bill, "An Act Further To Amend The Statutory Mining And Shipping Agreement Executed

Pursuant To The Government - The Flitkote Company-Atlantic Gypsum, Limited (Authorization Of Agreement) Act, 1960," read a first time, ordered read a second time on tomorrow.

On Motion of the hon. the President of the Council, A Bill, "An Act Further To Amend The British Newfoundland Exploration Limited (Petroleum And Natural Gas) Act, 1963," read a first time, ordered read a second time on tomorrow.

On Motion, that the House go into Committee of the Whole. Mr. Speaker left the Chair.

MR. NOEL: Order! Item 303-02-02 is standing, and we have reached Item 404-01. Shall Item 404-01 carry?

MR. HICKMAN: Before we adjourned last night, I was speaking with respect to this particular that was presently before the Committee. Now Mr. Chairman, if I may pick up where I left off last night?

The situation obviously has to be of great concern to the Committee, in the fact that, as of now, this Government is called upon, or this Province is called upon to spend twenty three percent of its net revenue for the reduction of the Debt Service, for the payment of Debt Service.

Now Mr. Chairman, you may think, for what? What is wrong with spending twenty-three percent? But the question immediately follows that Mr. Chairman, is, how much further can we go? What percentage can we use, and can be used before we reach the point where somebody comes in and closes shop on us? Now Mr. Chairman, there is no hard and fast rule on this. But I say this without fear of contradiction, that twenty-five percent is the maximum. It might be lower in certain Provinces, because Mr. Chairman, the way that the financial institutions work, it is this way. They take certain fixed known costs of the Province, and they know for instance that thirty to thirty-three percent of the net revenue of the Province of Newfoundland must go in education. This cannot be reduced. The chances are Mr. Chairman, that it will substantially

grow. Certainly if we are going to meet the responsibilities that fall on this House to provide adequate educational facilities for Newfoundlanders. And we know

Mr. Hickman

We know that health ranges anywhere from fourteen per cent up to sixteen per cent and is growing and when you take all of the fixed costs, the irreducible costs of running the Province of Newfoundland, of providing the minimum social services, be it welfare or health or education or highways or public works, justice, combine all that and when you total that, you subtract it from 100 and then you find out the maximum amount that this Province can use to pay and meet the cost of its debt services. If this total reaches eighty per cent, then the magic number is twenty.

MR. WELLS: Health is well over twenty-five per cent.

MR. HICKMAN: If it reaches - my financial critic from the shadow cabinet on this side says health is twenty-five per cent and I..

MR. WELLS: Over twenty-five per cent.

MR. HICKMAN: I take his word for it without hesitancy. But, Mr. Chairman, what I say is that on the figures presently before this House that we cannot - this Province cannot spend a higher percentage of its net revenue on debt services than it is now spending; namely, twenty-three per cent. It just cannot do it. In order to do it - if next year and the year after and the years from 1971-1974, when this Province is going to be called upon to find \$98 million in cold, hard coin of the realm, this, Mr. Chairman, is going to be one of the most painful tasks that a Government of this Province has had to face since 1949. Because how is it going to be done and still remain solvent? It can only be done, obviously, by reducing the irreducible minimum. It can only be done by cutting back on education. It can only be done by cutting back on social services, by cutting back on welfare payments. There will be very little scope or room to maneuver in the health field. People will still need health services, but it still may have to be cut back.

Now, Mr. Chairman, in the face of all of that - in the face of the figures

4848

that are now before us, how can we, in this unfortunate document that I referred to recently as being about as predictable as Dr. Chases' Almanac - how can we in this budget speech, accept the fact that all is rosy in the garden now? I say, Mr. Chairman, that under this vote that the Minister of Finance has to give a much clearer picture to the people of Newfoundland right now on our financial position. When you stand in this committee, or when you stand in this House and you raise any questions as to the financial position of Newfoundland, cries come from the other side of the House that you are being unpatriotic. You are exposing Newfoundland to ridicule in the eyes of the great financiers of Europe and North America. The most unpatriotic thing, Mr. Chairman, that any member of this House could do today is to fail to call to the attention of the people of Newfoundland that we are on a collision course and a course of disaster, and we are, make no mistake about it, Mr. Chairman.

At the very most, if you are really optimistic, if you believe that in 1971, 1972, 1973, there will be a tremendous upsurge in the economy of Newfoundland, if you believe that our earnings will go way up, will escalate, if you believe that unemployment will drop way below what some people say is now twenty per cent of our work force, if you believe all that, then you can go, may be, to twenty-five per cent, because there will be this additional revenue, hopefully coming into the coffers of the Province. But there are no clear signs, Mr. Chairman. Indeed the signs are right the reverse. I say, Mr. Chairman, that the time is now, right now, for the hon. Minister of Finance to say to the people of Newfoundland: as much as I regret it, and there is not much point of talking about how we got in the position that we are now in, but we are now here and you have to be prepared to assume further responsibilities, further financial responsibilities, say, in education than you are doing right now, because this Province has not got it. We cannot expect from Ottawa any further adjustments or whatever they call these grants that are handed out to the Province from time to time..

MR. CROSBIE: Equalization grants.

MR. HICKMAN: Equalization grants: DREE money that comes in does not help the financial position of the Province. We are getting, hopefully, \$11 million this year for the construction of schools in St. John's and in the more affluent areas of Newfoundland.

Well, Mr. Chairman, this has not lessened to any appreciable degree the tremendous demand that we are now faced with for educational facilities throughout the Province. This does not help the books, insofar as this budget is concerned. Mr. Chairman, last evening the financial critic of the shadow cabinet referred to the change in the bookkeeping system that came to pass last year with respect to the transferring of our debt payments from current to capital account, and he indicated that this ~~may~~ have been done through all sorts of unusual and peculiar reasons.

The reason behind it is not too relevant, Mr. Chairman, but I suggest that the result from this bit of unusual bookkeeping could be very catastrophic in the future. Because, Mr. Chairman, when this Province goes into the bond market to borrow money on capital account, it should be, if the Province is being managed sensibly and sanely, the money that is being borrowed on capital account should have been borrowed and should be used for the construction and the building of permanent, depreciable fixtures in Newfoundland. It should be borrowed for the purpose of building a highway or a new hospital or new schools and, Mr. Chairman, when the bonding houses work out the debt redemption schedule, when they decide on what the sinking fund is to be and when they decide on the term of the bond issue, it must have some relationship to the life expectancy of the asset for which this money is being borrowed.

Now, Mr. Chairman, if we take the average of the depreciable age or the life expectancy of the capital assets of this Province, it will go all the way from a highway which has, realistically, a life expectancy of ten years to a hospital building which may have a life expectancy of thirty years and in between you have other assets of varying degrees of longevity. The average that most

4850

Mr. Hickman

bonding houses accept is twenty years. It is their belief. It is their insistence. It is the belief and certain knowledge and the certain opinion of economists that if you borrow \$10 million to build \$10 million worth of assets and that asset or assets have a life expectancy of twenty years, then at the end of that twenty years, that building must have been paid for, these assets must have been paid for in toto. Otherwise, you never eliminate your long-term indebtedness.

Now, Mr. Chairman, what this slight change in bookkeeping has done and why it has such dreadful significance for the future of the Province is this: by putting our sinking fund and interest payments into capital account that what we are doing is borrowing to pay off and to meet our debt charges as they accrue from year to year, and there is no hope of this Province ever reaching the formula that any sane or sensible lending institution in the Western world will insist on, insofar as Government financing is concerned.

Now, Mr. Chairman, if you brought it down to the simple facts of life that most Newfoundlanders face from time to time. When a man buys a house, he probably hopes that the House has a life expectancy, say, twenty years, and he borrows \$20,000 and he decides and his lending institution decides that this House can be and must be paid for in twenty years, and he works out a schedule of payments on account of principal and interest. These schedules are so worked out that at the end of the twentieth year this House which has depreciated to nil, in one sense, has been paid for.

Now this is fine. This is sensible. This is the only way a man can build a house and realistically ever hope to own it. Then if he wants to build another house, he goes out and he borrows another \$20,000, but just look what the Province of Newfoundland is doing. What the Province of Newfoundland is doing, if this same man that I speak of, instead of paying the \$1,000 a year on account of principal and interest out of his weekly or monthly or yearly earnings, he is going out, if you follow the Province's scheme of things, and he is borrowing \$1,000 to pay the mortgage company, and he does that for twenty year

Mr. Hickman:

Now at the end of twenty years, he has his mortgage paid off, but he owes the finance company \$20,000 - the same amount that he started with, but he has his asset completely and absolutely depreciated. Gone.

Now take this and apply it to highways. This Province borrows \$5 million to build a highway. The highway has a life expectancy of say ten years. It floats a bond issue - the term of the bond is ten years. It is obliged and common sense dictates, if you can count beyond two, you should understand, if you are going to pay for that highway, you have to pay for it in ten years and you pay out of current account, your sinking funds, and your principal on that, \$10 million or \$5 million loan for ten years.

But, if on the other hand and remember at the end of ten years the highway is gone, and it has to be replaced by another \$5 million highway. But if at the end of five years instead of paying your money out of current account, sinking fund and interest, you have been borrowing annually to meet these payments. At the end of ten years the highway is gone. You still owe the \$10 million or \$5 million and you are now faced with building a second or rebuilding that highway at another cost of \$5 million and this is what I mean, when I say that there is no way of controlling or bringing into line the long-term indebtedness of this Province, if we are going to use this unusual bookkeeping and if we are going to use it for the purpose of trying to convince the financial institutions of North America that this Province has a balanced budget and that this Province is solvent.

Surely goodness Government know by now that in the financing institutions of North America and Europe that they have chartered accountants and economists and people who can read and write and people who cannot be fooled and, Mr. Chairman, that is the unpatriotic, if you want patriotism or the unpatriotic attitude or approach that is being used. An attempt to jeopardize the future well-being of this Province by coming up with a budget speech that is totally unrealistic and the Minister of Finance bringing down estimates that

in my opinion do not give the true and sad and unforgivable financial picture of the Province of Newfoundland at this time.

Now, Mr. Chairman, last evening for the first time this House was confronted with the old approach of 'confess and avoid.' The hon. member for St. John's West, in particular, has for quite some time been trying to get out of Government, particularly concerning Atlantic Brewery. My hon. friend who sits on my left from Fortune Bay he, too, in a very courageous speech in this House quite some time ago, made reference to it and called upon Government to give the details. The hon. Minister of Health, to his credit, assured this House that he would see to it that these details were given. Well last night we had an explanation.

Mr. Chairman, no one who has ever been in Government, and I am sure no one who sits in this House will fail to appreciate the number of documents that a minister, or the Premier is called upon to sign from time to time, and regrettably for the minister or for the Premier anything he signs, he is stuck with it. He does not have the right to blame his deputy. He does not have the right to blame his financial adviser and to the hon. the Premier's credit, he did not attempt to blame anyone.

But, Mr. Chairman, can we rest easy? Can this Province rest easy? When in a matter such as this, which the Premier told us last night, could not have had the approval of Government because Government could not have given it. This, I presume, would entitle us to assume that Government did not approve and was not aware of it. Can we assume that when an undertaking such as this that where two promoters come into the office of the head of Government, promoting their particular industry and that when they go out and by some devious, magic, unknown and unusual means, lay their hands on stationery with the office of the Premier on the top and then brings this into the Premier and says sign it, that it is signed without being read?

Mr. Chairman, this is a pretty frightening state of affairs. You have the Premier by his own omission saying I knew it had something to do with

Mr. Hickman:

taxes. They asked for it. They drafted it. They brought it in. I signed it and took it away without knowing what was in it, and we have to accept that.

But, Mr. Chairman, we should bear in mind that Government, in its wisdom, and I believe it was a wise course, that Government, in its wisdom, for the purpose of encouraging industry to locate in Stephenville, Bell Island, offered certain tax concessions. The only tax concession that Government could offer or that Government were authorized by this House to offer was the waiving of social security assessment tax on new equipment moving into that area, and that is where it stopped. New equipment or equipment being used to replace worn out or depreciated equipment. It is new equipment. Read the act and it says, new equipment. Mr. Chairman, I am well aware of any legislation that was passed in this House. I would love to be corrected, but I cannot recall, certainly within the last three years, legislation was passed in this House, waiving gasoline tax to industry, moving into Bell Island or Stephenville. In fact, unless someone can prove to the contrary, I am quite certain, and I see an hon. member in the back agreeing with me, that there is no legislation, no authorization to Government to grant this type of concession.

AN HON. MEMBER: My understanding was that it a was Provincial tax holiday for two years.

MR. HICKMAN: No, no, Mr. Chairman..

AN HON. MEMBER: Oh yes!

MR. HICKMAN: It is a Social Security tax holiday for two years.

Provincial tax holiday in toto? If it is gasoline tax, fine. I am willing to stand corrected.

MR. ROBERTS: From memory I would say (inaudible).

MR. HICKMAN: It could not have been the corporation tax.

MR. ROBERTS: Of course it can. It is our tax.

MR. HICKMAN: I am perfectly willing to stand corrected by the hon. Minister of Health, if it is gasoline - you look it up while I am speaking. If it is the gasoline tax, then let us take it as read that it is a gasoline tax. Mr. Chairman, the significant thing is that this letter exempts something which the Premier himself admits is totally illegal and that he had no right nor the Government to grant. There in that letter which was drafted by the promoters, put on the Premier's letterhead - how did they ever get their hands on this letter head. Where did they get it? Is the Office of the Premier so loosely run that anyone can wander in and say, "give me a piece of your stationery. I will write a letter on it and then take it into the Premier and sign it."

Mr. Chairman, there are a couple of dates that are significant. The hon. Minister of Finance said last night and the Premier agreed with him that he discovered this letter on or about October 28th., 1968 and immediately he made this startling discovery. He went straight to the Premier and expressed his concern and according to the Premier he said, "I know this is wrong. Did I do that?" I know this is wrong, but you have to give them a chance. They are in trouble. Now according to the dates given us by the Minister of Finance or the hon. the member for Fortune Bay who was then Minister of Finance and confirmed by the Premier last night that frequently (the member for Fortune Bay says every two weeks) he went to the office of the Premier and expressed his concern

interesting little point, because the subject matter that the hon. member is speaking about now was raised under a heading "Premier's Office."

MR.HICKMAN: The responsibility for the administration of the Newfoundland Liquor Commission, the minister responsible for the Newfoundland Liquor Commission the minister responsible for the collection of taxes, is the Minister of Finance.

MR.NOEL: Under the heading minister's office salaries, members can discuss anything relating to the duties of the minister. Now I do not see how the, how a letter-head or something of that nature gets out of the Premier's Office has anything to do with the duties, of the salary of the Minister of Finance. I really think that hon. members should realize that they are speaking to the salary of the minister of Finance.

MR.HICKMAN: But Sir, I am not challenging - following your ruling and to continue as it relates to the Minister of Finance, the responsibility of the Minister of Finance from October 28, 1968 onward in respect to Atlantic Brewery was to collect that \$400,000 or whatever it is. That was his responsibility. And he told us, and the Premier confirmed last night, that frequently from then on he went to the office of the Premier and said, "I am concerned about this." I presume he wanted and he was anxious as he was obliged to do to discharge his duty to collect it. And then there was a meeting called, according to these two hon. gentlemen, on sometime in March of 1969. There seems to be some disagreement between the two hon. gentlemen as to when the Premier first learned the contents of this alleged waiver which restricted the Minister of Finance from, or may have, from discharging his responsibility. The Premier says that at the meeting that was attended by the deputy minister of Justice and by Mr. John. R. O'Dea and the other promoter in this unfortunate brewery. He said; "did I ever sign that sort of letter." But Mr. Chairman, from October 28 to the middle of March we had the minister of Finance frequently going to the Premier's Office asking for authorization

to get on with this and to collect this money. And the other significant thing is that it was not until October 27, 1969 that the actual statement; steps were taken to try and collect the money, trust monies, monies paid by the consumers to be transmitted to the minister of Finance, kept for the benefit of a brewery that was dying on its feet and it was dead before it even started.

And Mr. Chairman, the relevancy to all of this is that, how are we going to, how is the Minister of Finance going to maintain the confidence of the people of Newfoundland in the financial position of this Province, and how is the Province going to be able to maintain the confidence of the Bond Markets, when it is, has been, public knowledge for months that that sort of loose enforcement, that sort of unusual discrimination in reverse, is allowed to happen in the Province of Newfoundland.

Mr. Chairman, last night we were told by the Hon. the Premier in his capacity as acting-minister of Finance that this Province owes approximately \$10 million to the Bank of Montreal for the purchase of shares in Churchill Falls Power Corporation. These shares obviously are not paying a dividend as yet. I suspect that it is most unlikely that there will be any substantial dividends coming from Churchill Falls to its common shareholders before the bonds have been redeemed.

Newfoundland's earnings from Churchill Falls Power Corporation are laid down very clearly in the many pieces of legislation that have been passed in this House. We get our earnings from royalties, if that is the word that is applied to the hydro industries - and we get our earnings from the tax rebate arrangement as it applies to utilities from Ottawa. These are the two direct benefits that come to the Province of Newfoundland regardless of who owns Churchill Falls. The third one is an indirect one, and this is the employment picture and the number of people who work there. So that it does not make any difference. If every share in Churchill Falls Power Corporation ^{was} owned by

the King of Siam, it would not in any way affect the financial benefits that accrue to this Province because our financial benefits are definitively stated in legislation passed by the House of Assembly. So what is the purpose of hanging on to these shares in Churchill Falls Power Corporation? We cannot control the policy of that corporation as a very minority shareholder. If the Churchill Falls Power embarked upon a course of action that was contrary to existing legislation, or contrary to public policy, we have the absolute right in this House by legislation to rectify that and call a halt to it.

I have heard the opinion expressed publicly that we have to maintain a certain number of shares in Churchill Falls because Quebec-Hydro, which is an arm of the Quebec Government, they too have shares in the power corporation. So what? What can Quebec Hydro do if it owned a hundred per cent of the shares in Churchill Falls? It cannot fail to live up to the statutory agreements. It must. It does not give the Province of Quebec any control over Labrador, but none, but absolutely none. And it means that we will continue to receive our royalties and our tax rebate as before and the same employment picture the same money will be spent in the Province of Newfoundland. But, in any event, both Quebec-Hydro and ourselves are very minority shareholders. We could not control, we could not run it even if we wanted to. So what we do is; we go and we spend \$10 million or borrow \$10 million, and we buy \$10 million worth of shares in Churchill Falls Power Corporation, the value of which fluctuates from time to time. And let us assume that when the bonds have been redeemed and Churchill Falls starts to make money that it will then start to pay dividends to its shareholders. We, in the meantime Mr. Chairman have been carrying ^alone the Bank of Montreal, or will have by then, or we will have gone to the bond market and borrowed money and paid off that loan with it. \$10 million with interest. I suggest Mr. Chairman to this committee that by the time we receive the first dividend on these shares at current interest rates, when you bear in mind the interest we have been paying on this \$10 million

that we will never get our money back. But rather Mr. Chairman, we still are persisting in the false economy of borrowing this \$10 million and continuing to meet the interest payments at the Bank of Montreal. And at the same time Mr. Chairman, contrary to the Revenue and Audit Act, monies have been taken and deposited in January of this year, according to an answer to a question, at the Franklin National Bank.

Now you can shrug your shoulders and say, what is a million dollars? What is a million out of a budget of \$300,000. ^{million?} Mr. Chairman if you ask the question, what is in a million dollars? Why should we worry about a million dollars being illegally taken out of the country and put in the Franklin National Bank in New York? We will not even miss it. May be that is so. But when once that door is open, the Revenue and Audit Act, with restrictions as to how the Province's money can be invested, and where were not put in simply because the Auditor General or someone thought that this would be a very good idea, it was put in in the firm belief of the Government of the day and of the legislature of the day that our monies that we own in trust, because they are really trust monies, if you collect money from the taxpayers of Newfoundland, all the Government does is hold these monies in trust to spend for the benefit of the taxpayers in providing social services, that these monies cannot get outside the jurisdiction of this House, this country. This is why you have this restriction. But if one million goes unnoticed, some other administration following that precedent can whip a few more million out next year. And the next thing we know half of our consolidated revenue is all over the world. And this is why I say Mr. Chairman, that apart altogether from the illegality of this unprecedented act, the fact is that we are creating a precedent that can have very very serious ramifications for the financial stability of this Province in the eyes of the people with whom we deal. And I would hope Mr. Chairman, that nobody is going to be fooled by the answer to the question. You know it was

a rather tricky little answer, there were two questions almost identical on the Order Paper, one from the hon. member for St. John's West and another one from myself. The answer to mine was, No. I had asked whether the sum of \$1 million had been deposited to the credit of the Province in Newfoundland. And that is technically correct. Because it came out in the ~~same~~ ^{second} answer in the ^{same} Order Paper, that it was to the Newfoundland Industrial Development Corporation. But the Newfoundland Industrial Development Corporation Mr. Chairman, is a Crown Corporation. It is a corporation created, it is a Crown Corporation in the true sense of the word. Because it was a Crown Corporation created by an Act of this Legislature.

It cannot have greater rights than the Government. And if it is illegal for the Government to whip a million dollars down in New York it is not only illegal but highly reprehensible to take that million dollars and try and get it down there through this Crown Agency. Because Mr. Chairman, let us recall that the announced policy of the Government of this Province for the past three years has been that there will be no more guarantees that Government will do the direct borrowing and that Government will lend to the Municipal Corporation to the Newfoundland Industrial Development Corporation sufficient monies to enable these corporations to carry out their intended purpose. So we must assume that the million dollars that the Newfoundland Industrial Development Corporation got down in New York into the hands of the Franklin National Bank was money either borrowed by the Government of Newfoundland or by the Province of Newfoundland or taxes collected by the Province of Newfoundland then through this vehicle, this creature of the House this arm of Government down to the Franklin National Bank.

Mr. Chairman, I do not know why it was done. The Premier says that this is standard practise, standard requirement of American Banks with whom you are doing business. The Premier has advised the House that it was the Franklin National Bank that put up the \$5 million bridge financing for the Shaheen Oil Refinery. But the significant thing is Mr. Chairman, when you look

at the answer to question No. 515, that the \$5 million of the bridge financing have long since been advanced and loaned by the Franklin National Bank in New York through the Government and then on to Shaheen or whatever the procedure was,,without any requirement for the million dollars. Because the million dollars was deposited with the Franklin National Bank on December 1969. It was December 1969. That loan had long since been advanced. So why would the Franklin National Bank have departed from what the Premier says is the usual practise of American Banks when lending money to governments and large institutions, why would they have loaned these funds without getting the million dollar deposit in the first place? But they went right opposite to that Mr. Chairman.

In the face of what the Premier described as the accepted practise of bankers in the United States of America, in the face of this precedent of the Premier's they went ahead and loaned the \$5 million without requiring the million dollar deposit. But come December 1969, come December of 1969, suddenly they want a million dollars. Mr. Chairman, it leads me to the inevitable conclusion that what I have been saying right through this debate and through this committee, that the lending institutions are getting concerned over the financial position of the Province of Newfoundland, that they do know, despite the budget speech, despite the unusual bookkeeping, despite the estimate they do know that we are in deep, deep trouble and that this news, this fact, is known to the Franklin National Bank. And it must be obvious to any one in this committee Mr. Chairman. What the Franklin National Bank was saying to the Province of Newfoundland, to our undying shame and to the undying shame of this administration, that what the Franklin National Bank was saying; we do no longer have confidence in your credit and we want a million bucks put on deposit here, we do not care how you get it down there. Because why, for what other reason, would the million dollars come after the fact, after the loan had been made instead of before, if we accept the statement that this is the practise of the American Banks? Why else Mr. Chairman, and why else would

this devious torturous unusual illegal method be used to get that million dollars of Newfoundland money out of the country and down in the Franklin National Bank?

Mr. Chairman, this sort of thing will not work. Why will not the Government take the people of Newfoundland into their confidence? If our financial position is not satisfactory it is going to come out anyway. If it comes out through a torturous route, if it comes out bits and pieces and denials and then contradictory statements, that will kill us for sure. If on the other hand it comes out man fashion, if the Government and the Minister of Finance (and it is the Minister of Finance we are principally concerned with here because he is the financial officer of the Province) if he were to come out and say here is the true financial position of the Province of Newfoundland; We seem to be somewhat over extended and we have got to have a bit of belt tightening, the people of Newfoundland who have benefitted not to the extent they should have, but they still have benefitted, from a lot of these borrowings, whether they forgive him or not is something else. But at least they will commend him for his courage and Mr. Chairman, this is not what this committee is getting, in these estimates.

Now if I may go back to -

MR. HICKMAN: If I may go back to a statement that I made earlier and I do not know if the hon. Minister of Health has been checking the statutes in the last ten minutes or so. But the Act that I am looking at, that has been handed to me by the hon.

MR. ROBERTS: 1969 - 91.

MR. HICKMAN: What is the number?

MR. ROBERTS: 1969 - 91.

MR. HICKMAN: No, I was looking at 1968 - 56. This is the Social Security Amendment Act.

MR. ROBERTS: The hon. member is correct, it was not an amendment for the S.S.A.

MR. HICKMAN: Right. Does it cover gasoline?

MR. ROBERTS: No, it does not. The confusion was a statement of policy the Government was exempting all tax, it is the only legislation, there were two Bills, the one ^{to} which the hon. gentleman just referred was repealed and replaced in the last session by us.

MR. HICKMAN: 1969.

MR. ROBERTS: 1969. Act No. 91.

MR. HICKMAN: Right, I have it now.

MR. ROBERTS: You see the head note, there is a power authorizing us to make regulations to exempt Harmon Field and Bell Island as defined.

MR. HICKMAN: The statement that I made is correct, that the tax exemption authorized by the Legislature, the tax holiday applies to Social Security Assessment.

MR. ROBERTS: As far as I know that is correct.

MR. HICKMAN: On construction. If you are constructing a new plant or if you had

MR. ROBERTS: No, no, I am sorry, not just to construct, the construction one applies everywhere on new capital.

MR. HICKMAN: That is right.

MR. ROBERTS: It is a replacement of Sub-section 3(a) Section 42 of the Social Security Assessment Act, as enacted by the Act No. 91 of 1969, authorizes the making of regulations to release the S.S.A. for every thing, for two years at Stephenville and Bell Island.

MR. HICKMAN: That is correct. But it is restricted to Social Security Assessment.

MR. ROBERTS: In that Act it certainly is, yes.

MR. HICKMAN: And this is obviously the only Act relevant to this debate. This is the one we are talking about, and I get back to my original statement that the only tax holiday that is provided for Stephenville, industries moving into Stephenville and Bell Island, is a two year exemption from Social Security Assessment on any materials, goods, articles and other tangible personal property going in.

And the other relevant thing to this debate, Mr. Chairman, is this that the letter to Atlantic Brewery was given in December, 1966.

MR. ROBERTS: Ah, but the section is retroactive, if the hon. gentleman wishes to read it.

MR. HICKMAN: Oh, yes. But surely the hon. Minister of Health is not suggesting that when a letter is written in December, 1966, it can be anticipated that on -

MR. ROBERTS: Hold on now, that is wrong, the Government.

MR. HICKMAN: December 1969 retroactive legislation.....

MR. ROBERTS: No, no, no, no, that is an argument unworthy of the gentleman, the Government policy statement was made before the letter to Atlantic Brewery was signed. It was made at - Stephenville phased out in December 1966?

MR. SMALLWOOD: No, no.

MR. ROBERTS: It closed officially in December.

MR. HICKMAN: September.

MR. ROBERTS: The announcement by us of our policy, by which we stand of course, was made at the time the American Government announced they were

MR. ROBERTS: closing out the Harmon Base which would have been under the agreement at least twelve months before December 1966. Let there be no question about that at all.

MR. NEARY: Bell Island closed in 1966.

MR. HICKMAN: Let us get this straight the base closed December 30th. 1966.

MR. ROBERTS: No, June 30th. my colleague the member for that district.

MR. WELLS: It was announced in June.

MR. HICKMAN: It was announced in June, and closed December 30th. 1966.

MR. NEARY: The original legislation was Bell Island.

MR. HICKMAN: No, or to the position, that regardless of any statement of The Government to state, to come out tomorrow and say as a matter of policy, we are going to abolish income tax. But until this legislature

MR. ROBERTS: A nice thought.

MR. HICKMAN: But until this legislature passes an Act to abolish income tax, no Government has the right-

MR. SMALLWOOD: It is not so, it is wrong, wrong -

MR. HICKMAN: No Government has the right to give any concession with respect to the payment of income tax.

MR. ROBERTS: No that is not so.

MR. SMALLWOOD: That is wrong. We cannot put taxes on, but we can take them off.

MR. HICKMAN: The Government could come out tomorrow and say as a matter of policy,

MR. SMALLWOOD: No, they can abolish it.

MR. HICKMAN: As a matter of policy, you will not have to pay S.S.A. tax-period, but that is not worth the paper it is written on. Because the legislation says that S.S.A. tax shall be imposed.

MR. WELLS: Shall be collected.

MR. ROBERTS: Well, all I will say is that if the hon. gentleman when he

MR. ROBERTS: was the Minister of Justice brought before the House Acts, for example, that we never collected the S.S.A. from E.P.A. If the hon. gentleman goes back a couple of years

MR. HICKMAN: Inaudible.

MR. ROBERTS: I agree.

MR. HICKMAN: That was in the Act.

MR. ROBERTS: I agree, but that was not collected from 1949 on, E.P.A. refused to pay us, and that was in harmony with our policy in 1966 or 1967 during the hon. gentleman's tenure as Minister of Justice, we brought before the House an Act which was adopted.

MR. HICKMAN: Several Bills.

MR. ROBERTS: A fair number of them.

MR. HICKMAN: Several Bills came before this House in order to exempt particular industries.

MR. ROBERTS: That is right.

MR. HICKMAN: So be it!

MR. ROBERTS: And we now have a general Act, being number 91 of 1969.

MR. HICKMAN: Now let us take - as the hon. gentleman knows public representations have been made and public complaint have been made from time to time by industry already established in Newfoundland that they are being discriminated against. I can recall back, it must be ten years ago, that American Smelting Company in Buchans were screaming to high heaven that they were being-

MR. ROBERTS: They just lost a tax case from the Supreme Court.

MR. HICKMAN: discriminated against because new mining companies coming into Newfoundland were getting Acts passed giving them an exemption from S.S.A. The hon. gentleman will recall that.

MR. ROBERTS: Oh, vividly some ten years ago I was at school in Toronto, come now.

MR. HICKMAN: And this has been going on time after time, after time, but

MR. HICKMAN: the Government could not sit down, nor the Premier and write American Smelt and say, we are going to exempt you from S.S.A. tax.

MR. ROBERTS: No, but the Premier -

MR. HICKMAN: He could only do it, if the legislature - the most that the Government could do is say that, here is our policy we shall bring before the House for acceptance or otherwise to the House a piece of legislation to implement its policy. But this is not the case of Atlantic Brewery.

MR. ROBERTS: Yes, it is.

MR. HICKMAN: It is not be any stretch of the imagination at all.

MR. ROBERTS: Of course it is.

MR. HICKMAN: Because this involves more than that, more than an S.S.A. Tax exemption, this involves the Alcoholic Liquors.

MR. ROBERTS: Right. And as the Premier has explained, profits are profits, and profits we collect them, and profits we got a writ out to collect, fair enough, he explained that.

MR. HICKMAN: Mr. Chairman, do not get me wrong. I am not talking about it in the context of whether you say it should have been done this week or last week.

MR. ROBERTS: Go ahead, I am listening.

MR. HICKMAN: This is not my concern at all or not my real concern. My real concern is the frightening situation, and the Premier of this Province can come before this committee, and say I signed the letter, I did not know what was in it, because I signed so many documents, I knew it had something to do with exempting taxes, the promoters drafted the letter, and somehow they got their hands on my letterhead. Now this is the frightening situation, this is what shakes the confidence of people who deal with the Government.

MR. ROBERTS: Ah, come off of it.

MR. HICKMAN: And confidence of the lending institutions that deal with them.

MR. SMALLWOOD: Slimy! slimy! slimy!

MR. HICKMAN: The slimiest thing that we have seen in this House, was the answer, the refusal to answer that question.

MR. SMALLWOOD: Slimy! Slimy! Walking slim, the talking slim.

MR. HICKMAN: Mr. Chairman.

MR. CHAIRMAN: Order, order.

MR. HICKMAN: Mr. Chairman, you know the Premier he can bug me, slime or bully or anything else,

MR. SMALLWOOD: Slim.

MR. HICKMAN: But it is a simple fact that if the hon. the member for St. John's West had not put in his questions, the date and the details of that letter we would not have the answer yet. Not even, not now. And if it is slimy to bring to the attention of the people of this Province in the various way in which the finances of this Province are concerned, then I would plead guilty to the charge. And I could again, and again, and again.

MR. ROBERTS: Well, get off of the white horse, the Auditor General brought it to the attention of the people of the Province.

MR. HICKMAN: You do not have to be on a white horse, you do not have to be clean, you do not have to be anything. But when you see that sort of stuff going on, and then when people say, oh! do not be unpatriotic!

MR. ROBERTS: Oh, come off of it, the Auditor General Report this was tabled.

MR. HICKMAN: Well, then that is why Mr. Groom left.

MR. ROBERTS: Who? Mrs whom?

MR. HICKMAN: Mr. Groom.

MR. ROBERTS: I know why Mr. Groom left, and the Premier said so yesterday, and it happens to be right.

MR. HICKMAN: And I do too.

MR. ROBERTS: Unless Denis Groom lied to me, and

MR. HICKMAN: I never saw such an unhappy man leave his department.

MR. ROBERTS: Ah, come off of it. He came to see me, just before he left,

MR. ROBERTS: the day he left.

MR. CROSSBIE: If the hon. the minister wants to tell what he said to hon. minister, that we will tell what he said to us.

MR. ROBERTS: Right.

MR. HICKMAN: Right.

MR. ROBERTS: Right, all I said, I know what he said to me.

MR. SMALLWOOD: I know what he wrote and said to me. I have his letter.

MR. HICKMAN: This debate is all about him, Mr. Chairman. Is whether or not the Minister of Finance is putting before this House and before our people the true financial picture of the Province of Newfoundland. And I say this is not the Government.

MR. SMALLWOOD: Mr. Chairman,

MR. MURPHY: Mr. Chairman, do I have to put my name in two weeks before to get a chance to say something in this debate?

MR. SMALLWOOD: Mr. Chairman, about a couple of years after Confederation arrived and the new Government took office a minister in that Government came out publicly and announced that Newfoundland was bankrupt, it was about two years after Confederation, that was nineteen years ago, we were bankrupt. He walked out, he walked across the floor, Newfoundland was bankrupt, the New Province was bankrupt. A few years after that the Leader of the Opposition of that day stood up in the House and he called on all bond buyers in the world and all banks and all financial houses in the world to refuse to buy Newfoundland Government bonds, Newfoundland was bankrupt, he said, the Leader of the Opposition, and not only that, and not only did he say that but he brought in a resolution here in this House, he moved a resolution to have the House pass it, the House did not pass it, but that was not his fault. To pass a resolution saying that Newfoundland was bankrupt and people ought not to buy Newfoundland's bonds. That was twelve years ago, we are still hearing it. We are hearing it now in this present session, every second speech is about the financial mess we are in, about the financial state of Newfoundland and we now hear

MR. SMALLWOOD: the hon. gentleman who just sat down telling us we are in deep, deep trouble. Deep, deep trouble.

What is all this about Mr. Chairman? What is it? What is going on? What are they up to? What are they trying to do? I say that it is a fair game, a Government is fair game to be attacked and criticized by the Opposition. That is the name of the game. Of course we would be criticized, our policies will be criticized, our program will be criticized. And rightly so! We will be criticized and condemned for our sins of commission and our sins of omission. We will be hammered and criticized and exposed and condemned, and it is right that we should be. That is the function of Opposition. But, Sir, it is one thing to condemn a Government, to condemn its policies, to condemn its program, to condemn its policies, but it is another thing to criticize the credit of the Province, its credit standing, its name and its reputation in the financial markets of the world, That is something else again. That is an infamous thing. Infamous! The credit of this Province belongs to everyone in it, 515,000 souls, men, women and children. That credit standing of Newfoundland belongs to every boy and girl that is going to school, because they are going to be affected for the rest of their lives by the credit standing of this Province. "He who steals my purse, steals trash". "It was mind, it is his". "He, that snitches from me my good name, takes that which not enriches him but leaves me poor indeed". And the people who in their anxiety to criticize the Government will expose the Province, will condemn the Province, its status, its standing in the world, are doing an infamous thing. An infamous thing for which there can be no forgiveness.

Mr. Chairman, I assume that everybody in this House has heard of the great financial house of Wood Gundy, they are the biggest in all of Canada, Wood Gundy, Toronto and other cities of Canada. I assume they heard of Ames and Company, who are not exactly the biggest, but in some ways perhaps, the best financial house in all of Canada. I assume that everybody in this House has heard of Royal Securities, and I suppose everybody has heard of

MR. SMALLWOOD: Nesbitt Thompson. And I imagine that everyone in this House has heard of the Bank of Montreal.

Now I suggest humbly to this committee that Wood Gundy, Nesbitt Thompson, Ames and Company, Royal Securities, and Bank of Montreal, these five who are the financial advisers to this Government, to this Province know more about the financial condition of this Province than does the hon. gentleman who just sat down. They know more, they know more than he will ever know. They know more than all of them across the House know, and in fact more than all of us here on this side know. The whole chamber put together do not know as much about the finances of this Province, as those five great financial houses know. Now they are all ^a financial syndicate, they are the people who handle that the public borrowing and placement of bonds for this Province.

MR. HICKMAN: They are paid to do so.

MR. SMALLWOOD: Well they are paid to do so. So when the hon. gentleman acts as a lawyer he is paid to do it, but he-is heca crook?

MR. HICKMAN: No.

MR. SMALLWOOD: No. Is he dishonest? Is he wrong? Is he false? Is he doing it just because he is paid? Does the Bank of Montreal give advice to this Government only because they are bankers? How low can an argument sink? If there is no honour all right, if there is no probity all right, if there is no integrity all right. But if there is integrity, it is in the Bank of Montreal, it is in Ames and Company, it is in Nesbitt Thompson, it is in Royal Securities, it is in Wood Gundy, if there is no integrity there, there is none anywhere in the financial world. None, no such thing, it does not exist, just a figment of someone's imagination, just a word in a dictionary.

A doctor gets paid does he not? Does that make him a criminal or a crook? That his advice is no good, because he is paid for it. The members of this House are paid are they not? Are we crooks, because we are getting paid? No one should pay any attention to us, we are just getting paid. What we are doing, is what we get paid for. Does this condemn the

MR. SMALLWOOD: Bank of Montreal, that is in Canada and then go across the Boader and two great financial houses in the United States - Hornblower Weeks, Hemphill, Noyes a great financial house in New York and Solomon Brothers, two great financial houses in New York, they are part of our syndicate, they are the American end of it. In England we have other members of our syndicate the great house of Rothchild, they are part of our Newfoundland Government, financial syndicate. Rothchilds Bank, the great House of Rothchild, Ham Bros Bank, one of the great merchant bankers of England of the world, Ham Bros Bank, they are members of our financial syndicate. Then go to the Continent to Germany were so much of the Euro-dollar money is in the Deutschemark, which is now being used to finance half of the world. And the Deutsche de Centrale in Frankfrut and the Dresdner Bank, these are our two banks in Germany. The biggest banks in Germany. There is our syndicate, there is the crowd that are advising this Government. Funny is it not? Humorous. They are just little orphans, they are little bull's eye shops, they are just doing what they are paid for. They have no integrity.

MR. WELLS: I never heard any public statement from them!

MR. SMALLWOOD: Actions speak louder than words. This is the syndicate that advises us, this is also the syndicate that places our bonds. This is also the syndicate that prepares our prospectives every issue we made. Outstanding financial people of great integrity and fame in the world. You would think to hear some people get up in this House and chatter, chatter, you would think that over here we are a bunch of nimconpoops, that we are a bunch of fools, that we are a bunch of ignoramuses, that we know nothing, and not only do we know nothing ourselves, but we have not got the brians to hire anyone that knows anything. We are too stubborn and foolish and ignorant to seek advice, that is what you would think to hear the argument, and may be it deceives some people. May be some poor innocents are deceived and if so it is a criminal thing. It is an infamous thing, that elected members,

MR. SMALLWOOD: elected representatives of the Newfoundland people should deceive people like that. Either knowingly and deliberately or what is just as bad in the end, in the result ignorantly, deceive them ignorantly because they are deceived themselves.

Mr. Chairman, you can sit here in this House and you can listen to a speech, and it can go on for half an hour, forty minutes, fifty minutes, and it is one endless series of statements and arguments, and every single individual one of them may be wrong. But they sound impressive, they sound right, they sound pretty solid, pretty right, pretty accurate, until you had them.

Let me give you an example, the hon. gentleman who just sat down talked about the revenue, that the Newfoundland Government are going to get from Churchill Falls, and he summed it up and left out a huge sum of money an amount of \$5 millions a year, he left that out. Now may be he forgot it, but he repeated a couple of times the names of the sources of revenue from Churchill Falls. He said, it was the royalty and the royalty is fifty cents a horsepower, on 10 million to 11 million horsepower is \$5 million to \$5 1/2 million a year forever as long as water runs wet and grass grows green forever, \$5 million to \$5 1/2 million a year, that is that, he mentioned that, he did not leave that out, he included it.

Then he talked of the tax rebate which is a big item, because what happens is that the Churchill Falls Power Corporation on all the profits it makes forever as long as Canada has its own corporation income tax will pay to the Government of Canada half their profits, roughly half, fifty or fifty-one percent of their profits incorporation income tax, every year as long as that corporation tax lasts they will pay it, if the tax goes up they will pay more, if it goes down they will pay less. It is not very likely to go down. Half their profits will go to the Government of Canada and the Government of Canada will pay every nickle of that with an exception that I will mention, will pay every nickle of that back to the

MR. SMALLWOOD: Newfoundland Government, Churchill Falls will make the profits, Churchill Falls will pay the tax to the Canadian Government and the Canadian Government will pass it over to the Newfoundland Government having first deducted, I think it is 4.8 percent, it is either 4.8 percent or 5.2 percent, I never can remember -

MR. SMALLWOOD:

remember which it is. They hold that back for reimbursement of their trouble and maybe expense in collecting the tax from the corporation. Now we receive one-half of the tax they pay here in this Province and in the case of Churchill Falls we retain the one-half and the balance we pay to them which is fifty per-cent of what they paid less the 4.8 or the 5.2 which ever it happens to be. But half of what they pay in taxes we get, that is twenty-five per-cent of their profits, forever. He mentioned that. That is two items he mentioned, very good but the third one he left out completely and that is the eight per-cent off the top. Before they pay any taxes to the Canadian Government, before they pay anything, right off the top comes eight per-cent and paid over to the Newfoundland Government. This is why when these three items were added up they are: royalty, fifty cents a horse power, half the tax they pay to the Canadian Government which is twenty-five per-cent of their profit because they pay half their profit to the Canadian Government and we get half that half which is twenty-five per-cent of the profit they make plus eight per-cent off the top before they pay any taxes, the top expense is what we take it from, the top income. This is why we will be taking in \$20. million to \$30. million a year in revenue from Churchill Falls, upper and lower, something between \$20. million and \$40. million probably closer to \$30. million a year we will take in.

MR. CROSBIE: \$20. million

MR. SMALLWOOD: We have a table in the budget speech and I should know something about it as I am the one who ask to have it prepared. It was at my request that the officials, the economists and statisticians prepared it and they prepared it in close collaboration with all concerned, including Churchill Falls Power Corporation, including Brinco. They put in deliberately, quite deliberately a conservative figure, a conservative estimate, the figures, the actual figures will be larger except in respect of the royalty on horse power, the fifty cents a horse power, that does not go up or down, that is static, that remains unchanged throughout the life of the agreement which is in perpetuity. It is a conservative figure that has been given there and the figure for the first years including the income of the Government in respect of the construction period on the upper Churchill and then the construction period on the lower

MR. SMALLWOOD:

Churchill and then when the construction is finished on the upper and the lower the income will boil down to the fifty cents a horse power, over \$5. million a year, twenty-five per-cent of all the profit they make and before they make that eight per-cent off the top which I am told is the equivalent of eleven per-cent so it is twenty-five per-cent plus eleven per-cent, is thirty-six per-cent even if we do not own a share.

Now if we own a share and we do own some shares, whether we keep them or sell them, at the moment we own shares in Churchill Falls Power Corporation which we borrowed the money to pay for. We borrowed the money from the Bank of Montreal and at this moment we are paying interest to the Bank of Montreal on that loan and we have been trying to make up our minds in the Cabinet as to what course of action we should take. If we hold on to those shares then in the next five years we will pay out, if interest rates stay as high as they are which is highly unlikely yet they might, and assuming that they do, we will pay out some millions of dollars in the next five years say in interest on that loan from the Bank of Montreal so we have to consider that. What we have paid out in interest up to now, what we would pay out say for the next five years by which time we begin getting dividends, if not before, because do not listen to this old granny's tale that it is going to be a long time before they will begin paying dividends as they will not pay any dividends until they pay off their capital indebtedness. That is an old granny's tale; there is no truth in that.

I have seen their cash flow and I had access and I know that one of the great enterprises of the world from two points of view (1) the sheer physical size of it and (2) from the financial profitability of it, I know that long, long before they pay off their capital indebtedness and that is \$800. million long before that is paid off there is provision in there for profits and dividends because it is a profitable enterprise. So we tried to make up our minds. We would not hesitate a moment if we could really afford for the next three or four years to pay out substantial sums of money interest on that loan and then finally pay off the loan and be the owners of those shares, the dividends on them in the eight years after that, then the next eight, then the next eight, the next eight and the next eight forever. The dividends the

MR. SMALLWOOD:

future Governments would get in Newfoundland from Churchill Falls would make them bless our name for having had the foresight to buy those shares, they would bless our name. But it is an expensive game as we have to lash out this money all the time to pay the interest on this debt that we owe the Bank of Montreal in respect of those Churchill shares.

Well, Mr. Chairman, what is the use. You can explain, it takes ten or fifteen minutes to explain and somebody will get up and make a speech and there will be one catchy sentence in it and that is what will be quoted. That is the bitter evil of what is going on in Newfoundland today, the bitter and the savage evil of it, the way in which our Newfoundland people are being misled by catchy phrases, by catchy slogans that are easy to write down and easy to quote. Who is going to bother, who has the time, who has the time to sit down and write an account of what I have been saying here, maybe a newspaper would print it but who reads newspaper, where is the time on a radio station or a television station in a six minute newscast which covers mankind. Who has the opportunity to do that and who gets the chance to hear it.

Take any night, Mr. Chairman, any night of the five - Monday, Tuesday, Wednesday, Thursday, Friday nights, those five nights turn on your radio, turn it on at 6:00 o'clock, at 6:15, at 6:30, at 6:35, 6:45, at 7:00 and 7:45, turn on your radio, turn on your television and get an account of what happens in this House. Can you get it? You cannot. Now you cannot blame the reporters who sit in the press gallery and listen, sometimes bored to tears, I think I have looked up sometimes and imagined that I could see tears of sheer boredom and frustration rolling down their cheeks at the unadulterated guff that they hear here hour after hour after hour. But even if, Mr. Chairman, if every word spoken was sheer silver tongued oratory, if every word spoken was the indisputable truth, if it was so obvious that it leapt out at you for three hours, from 3:00 to 6:00 o'clock in an eight minute or six minute newscast, if they devote the whole newscast to it do you think even then the great public of Newfoundland depending on radio and television are going to get an accurate and a realistic picture of what happened here this afternoon? No, but here is what they will hear. Their hon. member for Burin said that Newfoundland is in deep, deep trouble

MR. SMALLWOOD:

and that is why he put in the second deep. Deep, deep trouble, that is a very quotable phrase and a misleading phrase straight out of hell, it is so false that it is right out of hell, that is where that came from because it is not true. It is not true, it is false, it is wrong, it is ironious and if it is quoted it can only mislead our Newfoundland people and they deserve better. They do not deserve to be misled when they are told that Newfoundland today is in deep, deep trouble. Now if this was a reference to unemployment I would agree as we are in deep trouble when fifteen out of every hundred workers in Newfoundland this afternoon is without a job, that is bad trouble, that is very bad, fourteen, twelve, thirteen, ten out of every hundred. Ten per-cent in Ontario and where it was four per-cent they kicked up murder, four out of every hundred unemployed, across Canada seven per-cent, here more than double that. That is trouble but that is not the kind of trouble the hon. gentleman was talking about.

He was talking about the public finances, how the budget speech has misled the public, how the estimates have misled the public, what a desperately bad financial - listen to the Greek chorus, listen to the Greek chorus, yes, it is true, yes you are down and out, you are bankrupt, you are destitute, you are in deep, deep trouble, and it is lies. It is lies, it is false, it is untrue, it is wrong, it is inaccurate, it is not true. We are advised, this Government are advised throughout, right around the year we are advised by the ablest financial people in Canada, in England, in Germany. Now do they know more or do these hon. gentlemen over there know more?

MR. CROSBIE: These are opinions, are they right?

MR. SMALLWOOD: Their opinions are shown in their actions. Their opinions are demonstrated unmistakably by their actions. That is how you know what they think, that is how you know what they think of our public finances, that is how you know. When they say, "no, Newfoundland Government, no, sorry, we would not even try, we will not go to the market, your credit is not good enough" that will be action if they ever do that but it is also action when they do go. When they go and they float the bond issue that is action too and judging them by their action when they do it is the same as judging them by their action

MR. SMALLWOOD:

when they will not do it. But they do it, are we not right.

MR. WELLS: It is their job to do it and they are hired by us and they earn their-

MR. SMALLWOOD: Not so, not so, untrue, wrong. It is wrong, it is wrong, absolutely one hundred per-cent wrong. There is not a reputable bank in Canada or the United States or the United Kingdom, or the Republic of West Germany, not one big reputable bank that would place this Province's bonds on the market unless it was completely confident of the soundness of those bonds, of the soundness of the financial position of the Territory that issued the bonds.

No bank, Rothschild's Bank, Hamburg's Bank, the Dresdner Bank, the Deutsche de Centrale Bank in Frankfort, the Bank of Montreal, they would not do it and every bond issue that we place is placed by that syndicate made up of those banks. No, they cannot get over that. It is an inconvenient fact for their argument. It wipes out their argument, it vitiates it, it knocks it completely sky high, it knocks the argument into a cock hat. So it is an inconvenient fact but they do not bother to let facts stand in their way. If the political propaganda has been laid down that this man who is the Premier of the Province is a menace, is a danger, he is leading Newfoundland into bankruptcy and he is surrounded by Ministers who are dopes, who are nincompoops, who are dummies, who are ignoramuses, who are rubber stamps and this foolish old man who ignores banks, ignores financial houses on both sides of the Atlantic and is able to brush them aside and with the sheer weight of his own fame and his own personality is able to go out and place one bond issue after the other. That is the propaganda and it is not true and it is infamous, it is infamously, foully unfair to this Province. It is a dirty bird that fouls its own nest, a dirty bird that fouls its own nest for the sake of a hope of political preference, for the sake of a hope of political advancement, for the sake of hoping that they get a little bit of political following, a little advancement, that they gain an inch.

MR. CROSBIE: Mr. Chairman, on a point of order.

MR. SMALLWOOD: Here is the bully boy, here is the bully boy again.

MR. CROSBIE: The Premier is getting simpler, more simple-minded every day, that no-one can get up in this House, Mr. Chairman, on a point of order, do not wave

MR. CROSBIE:

your finger, Mr. Chairman, on a point of order and be called a bully boy.

MR. SMALLWOOD: Do not wave your finger, Mr. Chairman.

MR. CROSBIE: The hon. the Premier is making unparliamentary remarks -

MR. SMALLWOOD: Do not answer back, Mr. Chairman.

MR. CROSBIE: Ascribing improper motives to the members on this side of the House. We are just as concerned about this Province as he is and that is why we are trying to bring out the facts.

AN HON. MEMBER: On a point of order, Mr. Chairman.

MR. CROSBIE: The point of order is this and it is unparliamentary for one member to ascribe improper motives to other members which the hon. the Premier is doing now.

MR. WELLS: And use unparliamentary language too.

MR. CROSBIE: And the use of unparliamentary language.

MR. SMALLWOOD: Like "ignorance" this afternoon by the hon. member opposite.

MR. CROSBIE: How often have we heard the hon. the Premier use that.

MR. SMALLWOOD: Well, it is okay if you use it is it?

MR. CROSBIE: It is not okay for anyone to use it but what is the use for a goose to sass a gander.

MR. SMALLWOOD: Mr. Chairman, I frequently use -

MR. CROSBIE: How about slime, how about the word slime that is a parliamentary? -

MR. SMALLWOOD: I frequently use the word ignorant and ignorance and invariably I mean ignorant to mean lacking in information. A man is ignorant of this information, he is ignorant of this fact, he is ignorant of this knowledge. Now there is another meaning to the word ignorant and I never use it in that meaning. Meaning that a man is a low-down clown, he is an ignorant clown, he is an ignorant character, he is an ignorant fellow. I never use the word ignorant in that, I use it in the simple literal meaning of it. I am either ignorant of this or I am not, I am knowledgeable or I am ignorant and I always refer to facts, to information, to knowledge. Now talking about knowledge -

MR. CROSBIE: How does the hon. Premier use the word slime.

MR. CHAIRMAN: Order please!

MR. SMALLWOOD: I use the word slime to describe an argument.

MR. NOEL: Now we just had a demonstration of what I mentioned before. Hon. members on this side were speaking, and were heckled by hon. members on this side. Then the hon. members on this side began to speak, and they were heckled by the hon. members on this side. Then when an hon. member over here began to apparently get a little worked up, an hon. member over here stands on a point of order. And takes exception because his point of order is not recognized immediately. Without giving the Chair a chance to rule on the Point of Order really, which I have not ruled on yet, the hon. member goes into a tirade, uses an insulting remark to the Chair, and then on top of that, hon. members down here, are out of order and interject. And we have a crossfire between the hon. gentleman here and the hon. gentleman down here, while the hon. the Premier is trying to carry on his speech.

Now it seems to me that those who try to seek courtesy should show it, on both sides of the House. Will the hon. the Premier please continue?

MR. SMALLWOOD: Mr. Chairman, the hon. member for Burin district made an absolutely astounding remark in the course of his speech. I could not believe my ears, that an hon. member could be so ignorant of the truth. Or if he prefers the word Sir, unaware of the truth.

MR. CROSBIE: Mr. Chairman, to a Point of Order. The other day when this House was meeting I used the word "ignorant," and out of the blue the hon. the Speaker said that word was unparliamentary and should not be used. Now what is the ruling of the Chairman on that? Is the word "ignorant" not to be used in this House, or is it to be used?

MR. SMALLWOOD: Mr. Chairman, to that point of order. I think it was Your Honour who ruled that the word "ignorant" is wrongly used and unparliamentary if used as a word of abuse, or words to that effect. I say that the hon. gentleman appears to be ignorant of the truth. Or if he prefers it, unaware of the truth. And I use the word "ignorant"

in the sense of unaware. I am not talking about his character. I am not talking about his manners, or his behaviour. I am talking about his argument. It is his argument I am attacking, not the hon. gentleman himself. Although sometimes I have - no I would prefer the attacking of character to be directed at me not from me.

Mr. Chairman, it was pointed out in the Budget Speech, that regardless of the source of money in this Province. Now this statement might not be true in Nova Scotia, but in this Province it is a true statement that regardless of the source of the money that goes into our people's pockets, whether it goes in in the form of wages, or salaries, or fees, or commissions, or profits, or rent, or dividends, or interest, no matter what is the nature of the money that goes into our people's pockets, no matter what is the source of that money, whether it goes out as a Government pension or family allowances, whether it goes as unemployment insurance, no matter what it goes out as, every dollar that goes into people's pockets, fifteen cents of that comes into the coffers of the Government.

Now that is a very important fact. If you want to know for instance for next year, what is likely to be the revenue of the Government, Newfoundland Government from the Newfoundland people, try to ascertain what their income will be and take fifteen percent of it and that is the revenue that will come into this Government. Averaged out it is fifteen cents to the dollar. That is what comes in to the Treasury of this Province. Now the dollar may come from Ottawa as payments from Ottawa to pay their Federal Civil Servants operating in Newfoundland. It may come from Ottawa to pay to build bridges or wharves rather, marine works. It may come to Newfoundland to pay Federal employees on Public Works on Airports. It may come as Veteran's allowances. It may come as Medicare payment. It may come as payments to all kinds of people regardless of what for, every dollar that goes into the pockets of the Newfoundland people, ends up fifteen cents of it in the Treasury of

this Province. Fifteen cents to the dollar! Now that is a tremendously important fact— Fifteen cents of every dollar that goes in our people's pockets.

We have the hon. the member for Burin telling us here this afternoon, that money from DREE, capital money put in here from DREE means nothing, does not improve the financial position of this Government. Now remembering that fifteen cents comes to the Newfoundland Treasury out of every dollar that goes into our Newfoundland people's pockets, no matter where the dollar comes from. No matter what is the source of it. What flag it comes from, U.S. Canada, United Kingdom, anywhere in the world, every dollar, fifteen cents of it goes in now. Imagine \$100 million of DREE money coming into Newfoundland, and of the \$100 million, let us say that \$70 million is paid out in wages, and \$30 million say in material. And if the materials are made in Newfoundland, then these materials represent a certain amount of wages as well. But if you could imagine all the materials being brought in the Province and the money to buy them not being spent here, but only \$70 millions spent here in wages. It might be high. It might be only \$60 million, and \$40 million of materials come in. Let us take a look at that.

This year they will spend in DREE money, \$8 millions on the buildings of schools. Is it not \$8 million? It is \$8 million, and we are spending \$4.5 million of Provincial money, is \$11.5 million which I think^{is} the total we are spending on school construction this year. Is that accurate? It is more. Take the money that Ottawa will send in here this year to this Government for the purpose of building schools. Say it is \$10 million, how much of that \$10 million will go into the pockets of our people in the case of building schools? Now there is water and sewerage systems. True when you get the ditch dug and you put your pipe down in the ditch for a water system, or a sewer line, the pipe has been brought in, and there is none of that money going into the pockets of our people. The money our people get is the money they get for digging the ditch, putting on the pipe, closing in the ditch again. The plumbers that connect

up the homes and the buildings and the schools and the churches and the rest of it. And so it goes. The paving that will be done, the road construction that will be done by DREE money, represents millions piled on millions of cash going into the pockets of our Newfoundland people, And how, in God's name, can anyone stand up in this House and say seriously that this DREE money does not help to strengthen or improve the financial position of the Government? How can anyone say that seriously? If he says it with tongue in cheek, if he says ^{it} jokingly. If he says it as a gag, all right we will take it as a gag, as a joke. But to stand up in this Chamber and with a straight face say that the Government's financial position is not improved by the DREE money coming in here for Capital Account expenditure, that is just plain silly, that argument is, Just plain silly.

Take the money we borrow: We go out and we borrow an issue of \$15 million and another issue of \$10 million, \$25 million. We borrow thirty, forty, fifty million dollars in a year. We bring it into the Province and we spend it in the Province and we employ men. This year, how many projects was it that the Minister of Highways announced? He announced a large number of road projects in the Province this year, a large number. They are printed in the last issue of the Bulletin. You can run your eyes down over them, see where the roads are to be built. If you know the Island, if you know Newfoundland, if you know Labrador you can look down over the list and it makes you feel good, that the people in this place, in that place, in the other place, are going to get the roads fixed up. They are going to get a bit of paving done. They are going to get a bit of improvement. The road is going to be widened. The road is going to get a new surface put on it. It makes you feel good, but Sir, it is not only that this improvement is going to be made in these roads and in these communities, it is also this; that men are going to go to work. Jobs will be created. Jobs - men will

get jobs that do not have jobs now. And if we could build enough roads. If we could build enough schools, if we could do enough paving, if we could put in enough water and sewer systems, then instead of fifteen out of every hundred being unemployed, we would ^{have} it down to twelve, to ten, to eight, to nine, and you have a few thousand men, Newfoundlanders out working earning a living.

When you say—do you mean to stand in this Committee and say that it is important to borrow money to creat jobs. I say yes. I do say that, precisely that. I say this. I say this; that if in the ten Provinces, and I will take any Province you like, Take Ontario if you like, British Columbia, Alberta, three big rich Provinces, take either one of those, or one of the other seven, take any Province you like in Canada, let those Governments stop borrowing, let not a dollar be borrowed. They will borrow a couple of billions, a couple of thousand million or more this year, let them borrow not a dollar, and do you know what you will have? Now seven percent unemployed. Fifteen all across Canada. You would have a revolution, because they are not used to unemployment across Canada as we are here in 500 years of unemployment we have had. God help us, we have had a sad and a tragic tradition of men working. Thousands of them only a few months of the year could not get work the rest of the year, living on dole, living on the moldy brown bread, living on unemployment insurance now, welfare of some kind or other. That is an old tradition in Newfoundland.

The very first petition that was brought into this House of Assembly in 1833— The election was 1832. The House met for the first time in 1833, and the first petition that was brought in was a petition asking for dole. It came from my hon. friend's district, from Bonavista Bay. We have a long tradition in Newfoundland of unemployment and destitution and men out of work and looking for jobs, and men happy to get a job for three months out of twelve. And five months seems like paradise. And get work for twelve months and you would not call Queen Elizabeth your aunt. A year's work! That is our tradition. Not quite so much as that in other provinces, but that is the way it is here. Let borrowing

stop by Governments, by municipalities. Let them stop borrowing and you will have such stagnation in this Province, such stagnation as you cannot even imagine today, and in every other Province of Canada, that is if the Government's stop borrowing, If the municipalities stop borrowing. This is the pump primer Mr. Chairman. This is what primes the pump, The money that is borrowed and spent to build schools, to build hospitals, to build roads, to build paving, to build water and sewer systems, to build electric light systems. To build this, to build that, to build the other, the money you borrow to build your Province, To build it, to give it what it does not have, not just to pay for what it has, but to build new things that it does not have, that is the thing that primes the pump. That is what creates the jobs.

Now that is Governments, Federal, Provincial, Municipal. But take companies. Let the companies, let the corporations stop borrowing. Let them stop borrowing. Let Bowaters stop borrowing. Let Price stop borrowing. Let all the great corporations across this country, across this Province and across this country, let them all stop borrowing Mr. Chairman. Let the borrowing stop, and you will have stagnation piled on stagnation.

Every dollar that was spent to build something. We have spent tens of millions of dollars last year, and we will spend tens of millions of dollars this year. And we will spend tens of millions of dollars next year and the year after, and every year, and the minute we stop, the minute we stop, then you will have thirty and forty percent unemployment in Newfoundland, and we are dead. We are dead! This Province is dead!

Is there anyone so blind or so stubborn that he cannot see it? Take today for instance. Take Newfoundland now. You have fifteen percent unemployed. The labour force is 147,000 men and women. What is fifteen percent of 150,000? What is fifteen percent of that? Fifteen and a half of fifteen - 22,000 men and women today unemployed. Now, okay, it is not okay, but so far, so good. 22,000 men and women, Newfoundlanders, the hon. gentlemen's uncles, or cousins, or my uncles or cousins, or

brothers, flesh and blood, fellow Newfoundlanders - 22,000 of them. No jobs, cannot earn a dollar. Now let nobody borrow any money this year. No one. Not a dollar. Let no municipal councils, no town councils, no provincial government, no companies, no corporations, let not a dollar be borrowed this year in Newfoundland, what happens to those 22,000 Newfoundlanders? Come on now.

AN HON. MEMBER: What does that have to do with it?

MR. SMALLWOOD: What does it have to do with it? It has everything to do with it.

MR. CROSBIE: It has nothing to do with it.

MR. SMALLWOOD: It has everything to do with it. It has everything to do with it, Mr. Chairman, it has everything to do with it. Everything you can imagine. Are you going to have men working or idle? Are they going to be on dole, are they going to be on unemployment insurance? Are they going to work? We have 22,000 unemployed. If we had not borrowed and spent the money we have done in the past twenty-one years, we would not have 22,000 unemployed today in Newfoundland.

If we had not built the 5,000 miles of roads we built. If we had not built the 1,000 schools we built. If we had not built the twenty or twenty-five hospitals we built. If we had not done this and that and the other with the money we borrowed, if we had not borrowed it, today we would be out of debt. And it would be a good thing, we would be out of debt. because there would not be anybody here. There would be no Province. God in Heaven, am I making that up? Am I the only one who can see that?

MR. WELLS: Does that mean that borrowing goes on?

MR. SMALLWOOD: That means that borrowing goes on. It goes on in every Province in Canada. It goes on, it must go on, it has to go on.

MR. WELLS: Without ever paying a cent back?

MR. SMALLWOOD: Every Government in Canada, almost every Government in

the world borrows. And when the debt falls due, it borrows money to repay it. It refunds the debt

the debt. Now sometimes it is possible depending on the state of the financial markets of the world at the time. It is possible sometimes for refunding of a loan to be done at a lower rate of interest, you save money by it. Sometimes the entire public debt of a country is consolidated and a new issue is put out at a lower rate of interest and they save millions of dollars in the annual interest charges.

British Consols, the committee have not heard of British Consols. Consols only means consolidated. British Consolidated bonds this was a consolidation of twenty or thirty or forty different bond issues put out in different times with different rates of interest. They consolidated them all they put out a new issue known as British Consols, or they came quickly to be known as British Consols. This is the refunding of debts. The refunding of bond issues, rolling them over. You can have fun, you can to, so we can get up here and a great future, great bit of fun, a marvellous wit, a fellow of infinite jest and variety, full of wit talking about rolling over, rolling over, it was a wonder he did not see it. But rolling over debts, rolling over bond issues is as common as anything I know in the world of public finance. It is done, now, today, with the terrible market on both sides of the Atlantic the terrible financial market. The frightfully high cost of money. You buy money today. You sell your bonds for money as short a time as you can get away with, because the interest rates are so high. And in the belief and in the hope that when they fall due, two, three years from now, interest rates will be down. So you roll over those issues at a lower rate of interest and you save money, by doing it.

Now, as for sinking funds all our debt structure is made up of sinking fund bonds, all of them, except only those of recent borrowing short term; two, three, four, five years. In short term issues when the interest rate is horribly high, in any case, just to pay the interest you are paying it at a very high rate nine, nine and a-half, nine and three-quarters, ten per cent/^{high}rate of interest, ten per cent Mr. Chairman, used to be looked upon

as usury, ten per cent used to be looked upon as scandalous usury, not an interest rate at all. It was a shark, a lone shark that would charge you ten per cent. Today, ten per cent is as respectable as the Bank of England. So, if you are going to get a bond issue for a short term three years, four years, five years at a horribly high rate of interest, at a horribly expensive cost you do not have a sinking fund. That is all there is to it. This is not Newfoundland we did not invent this. This is not something we initiated. This is commonplace. But you can make it sound dirty. You can make it sound as though the thing were somehow infamous, that somehow it is only fools that would act like that. This could be done only by a Government that did not have any financial advice from anybody who knew anything. This could only be done by a Government that did not have the Bank of Montreal or Aimes or Wood-Gundy or Rothschild advising it.

Why do they not go and get advice? Why do they not get some guidance from people who know, who could tell them? Why are they acting like the poor fools are acting like? They are something like, the people who asked that or suggest that, something like the situation in which I found myself once. It was the day before the Queen was crowned and I was in Buckingham Palace along with all the Premiers of the Commonwealth and the Empire. We were all there to a reception given by the Queen. And among the men there was one that I had met, the Prime Minister of Jamaica. He is now ^{Sir} Alexander Bustamante. Bustamante was a Negro. At least he was half Negro and half I do not know what. A huge giant of a man, marvellous man, everybody called him Busty. Bustamante. And he was there at Buckingham Palace. We were all there in our morning clothes, silk hats and morning clothes. And I looked at this poor, poor man from Jamaica, this coloured man from Jamaica. Why in God's Name did not someone tell him the difference? Why did not someone be decent enough to advise him, be kind enough to tell him he should not go there with a gray suit on, gray coat, gray pants, gray vest, gray hat. I felt ashamed for him. I felt ashamed for myself. I felt ashamed for the human race.

And I was wasting my pity. Because after we had chatted and talked and chatted I wandered around among the crowd and we were all wandering about, little groups and chatting and it came to Lord Mountbatten, the Queen's Uncle gray coat, gray vest, gray pants, gray silk hat. There were only two men there and they were properly dressed. Busty from Jamaica, and Lord Mountbatten. Do not pity us because we have not had any good advice. We are so stupid, we are such blockheads that we have not even got enough sense to go and get financial advice from the great banks and great bond houses on both sides of the Atlantic? Do not put us down as stupid fools because although I know the House of Rothschild, I dine there every time I go to London, I know them, where I am such a stupid fool that we will not seek their advice. That, although the Bank of Montreal has been our banker, our financial agent, our fiscal agent, the managers of our public debt, THE MANAGERS OF OUR PUBLIC DEBT. since 1893, Although that is the case we are so stupid we do not take advice from the Bank of Montreal? Do not pity us. We do take advice.

MR. CROSBIE: Inaudible.

MR. SMALLWOOD: Nobody could be saved in 1933. Nobody was saved in 1933. Nobody. United States with a population then of 150 million had 20 million unemployed. 20 million. The United Kingdom had 4 million unemployed, Canada went completely bankrupt, one province after the other and we went bankrupt. So we will all go bankrupt again if you could get that kind of a depression again. Thank you, advice will not help you then. They, it is "physician heal thyself," then. When the banks begin popping and cracking and collapsing as they did all over the United States, hundreds on top of hundreds of them all collapsed. What was the first thing Roosevelt had to do, first day he came in office, after he was sworn in, as President, what did he do, he closed every bank in the United States to prevent the utter and final and complete collapse of the entire banking system of that great Nation. That is how low-down America was. That is when our banks could not help us in 1932-1933. That is no use in citing that. That is another world. That is another world, that is like up in the moon that is so far away, and so different from what the

conditions are that we have as we see them today. But Mr. Chairman, the unfairness of it, the injustice of it, the injustice of it, the unfairness of it, to get a crack at me. Ah, so childish I am. I was not childish on November the first. I did not give any Nazi salutes, I did not have to. Out of hatred of me, out of an intemperate, an intemperate and a tempestuous determination to put this Government down, wreck the Province's name, its good name, suggest, plant the idea that we are in deep deep trouble. It is a dirty, dirty bird that fouls its own nest. Dirty bird! A dirty dirty bird that fouls its own nest. A dirty bird, that does that. And anyone who would assail, who would try to undermine the credit status of this Province, he will fail. But what do we think of him, even in his failure? Why will he fail? He will fail because we are not dependent on whims, on astrology, on an Ouija Board, by guess and by God. That is not how our public financing is done. It is done on the basis of the finest expert professional financial advice we can get on both sides of the Atlantic Ocean. In all Canada you cannot get better, than the Bank of Montreal, Aimes, & Co. Wood Gundy and Royal Securities. In England you cannot get better than Rothschild Bank and Ambrose Bank. In Germany you cannot get better than the Dresner Bank and the other one.

That is the best you can get. That is our syndicate. They arrange every loan. We do not go near the market except through them. They do it, They decide should we go, where should we go, when should we go how much should we float. They will decide that not the Government. We go to them and we say; "well, this year we want to build roads. We want to build some of this and some of that and some of the other, we want to do some paving we want to do this and we want to do that. Now we are going to get some money from DREE, that is a help. We are going to borrow some from the Canada Pension Fund, that is that. So you do not have to bother that, but this is what is left, we have to get. Can you get it?" "Let us look at it,

we will think about it, we will let you know." And a week, two weeks, three weeks come back and they say, "Yes, this would be right, you can float that, do not try to float it all at the one time, we will put \$10 million of it and you are not going to get any fifteen year money, but we will get you some five year money." "What is the rate?" "The rate is high." But that is the rate, it is not our rate, it is not your rate, it is the rate, you pay it or you do not get it." That is the rate and they manage it. They decide they determine it, not we, not the deputy minister, not Mr. Groom when he was the financial adviser. All these decisions are taken by the financial syndicate.

Now, either that is a lie, which is something which is meant to deceive. The thing can be wrong but yet not a lie. A lie is something this is uttered and you can lie by not saying anything. Something that you intend to deceive someone, that is a lie. What I have said is a lie or it is the truth. One or the other. This Government do not decide what market to go to. When to go to it. How much to go after, we do not, we give the final okay, they can not go off on their own. But they tell us what should be done. And they advise us, they counsel us, they guide us, they tell us what we should do. We have the final word, as I say, whether we will borrow or not. We have that word, we can always say; well, the rate is too high, we will not build those roads this year." And we have said a lot of things we are not going to do this year. We are not going ahead with something that my heart aches to do. That I announced two or three years ago. And the hon. the Leader of the Opposition, I believe his heart aches to see it done. I heard him say so, here, not in those precise words, but words to that effect. He wants a great programme across this Province putting up facilities for the youth, facilities to play hockey, to play ball, to swim, for recreational and athletic opportunity. He would like to see that done. So would I, but this is one year when I am afraid we cannot do it. To use this ugly word, which was a good clean word until it was brought into a certain usage and a certain quarter

from a certain source. This, the priority, the priority this year and a year of tight money, the year of tight money, the year of tight money, the year of expensive money a continuation of it because it was the same last year. This is not the year for us to spend our money on those particular things when we have schools to build. Not recreational centres when we have hospital expansion to build. Not recreational with the Expo buildings were bought, and we had a choice, would we let them lie or would we go ahead and erect them? Now, we would be damned if we did and doubly damned if we did not. If we decided to let them lie on the ground and not spend any more money, having bought them, having bought them, if we decided to let them lie there and not erect them we would be damned and doubly damned. But if we built them then we are damned. But I would rather be damned than doubly damned so we are going ahead and we are erecting them. The one in Grand Falls is fairly well ahead and the ones in Grand Bank and Gander are going ahead. Now we are not going to rush it. If it was like the last twenty years, you would let your contracts, you would say get cracking, get it built fast, we want to have a ceremony. We are going out there to Grand Falls, we are going out to Gander, we are going down to Grand Bank we are going to have a grand ceremony. We are going to have a ribbon cutting and I will go the ribbon cutting and we love it, it will be grand. That is what we have been doing for twenty years.

But this year we say; "go slow, if you do not get it finished by Christmas,. If it is not finished until next Spring so long as the people see that it is going up. They may grow impatient. But they will say God Help Us it is going up. We will get it. They cannot fool us anymore. They are building it now." And I think that will satisfy the people. When they see it going up, even if it is going up slowly.

Now, Mr. Chairman, everything I have said is a sheer waste of breath. A waste of breath. I did not need to say it for this side of the House

because they knew it already. The others do not believe it. So, I am wasting my breath. Mark Twain said, "never explain, your friends do not need it, your enemies will not believe you anyhow." Why explain? Sometimes it is necessary to explain so your friends who may have been listening to the poison watching it ^{being} squirted, the poison, the propaganda, the false propaganda, they might, listening to that, listening to it, watching it, listening to it, there may be an occasional friend who would get an uneasy feeling. "God, I wonder is what he is saying right? Why does not someone answer?" Now there may be an occasional friend like that which makes it necessary for you to give an answer. There are some doubting Thomas's. None here in this Chamber, on this side of the House. None.

MR. CROSBIE: They would not dare.

MR. SMALLWOOD: We are men, over here, no we would not dare that is right. That is right, we would not dare. Not one of us. Over here we have no doubt about the greatness of Newfoundland. We have no doubt about the greatness of the character of, and the personality, of Newfoundlanders. We have no doubt about the resources that are here in Newfoundland, human and material. We have no doubts over here about the greatness of our future. We have no doubt that we are destined to be a great and rich province of Canada, a star in Canada's Crown. We have no doubts. No doubts at all over here. We are men of great faith and also of works, because faith without works, faith without good works is dead, especially good works. Over here we would not dream. If ever the day comes Mr. Chairman, and in the course of human history you know it could happen, not too likely, but it is not impossible, but if the day should ever come when this Liberal Party are sitting over ^{or} there and the Tories ~~and~~ even the renegades, are sitting over here, if that day should ever come, you will not find the Liberals attacking Newfoundland. You will not find them seeking by one word to undermine the credit standing of Newfoundland in the world. You will not find the Liberals, wherever they are, in office, or in Opposition, you will never find the Liberals attacking Newfoundland. And doing it with hypocrisy. Doing it with Uriah Heep

hypocrisy. Doing it in the guise of patriotism when it is damnable unpatriotism. You will not find that from the Liberals. We are not built that way. We are not, and any one, any one that ever gets into the Liberal Party and he is like that he does not stay with us. He leaves us. He gets out. He is not welcome here. He is not at home. He does not feel at home. This is not the kind of a crowd we are in the Liberal Party. And when you do get the occasional man who is willing to squirt that stuff he is not really happy among us, and you see that he soon goes. And this will always be the case in Newfoundland. This will always be the case.

MR. WELLS: There are seven over here -

MR. SMALLWOOD: Seven that came in on my coat-tails. Seven that I dragged in seven that I dragged into this House and of the seven, one, two, three, four, five, six of them will never be back here again. One, two, three, four, five, no five will never be back here again. There is one who with a bit of luck might, if he can keep the bluff going a bit longer. He might be back and the other one will bully his way back. There may be two of the seven that I dragged in here on my coat-tails that will be back here again without my coat-tails.

MR. CROSBIE: Do not threaten your coat-tails -

MR. SMALLWOOD: Right. That is right,

MR. CROSBIE: Watch out for these coat-tails.

MR. SMALLWOOD: That is right and "do not tread on the tail of me coat: if you know what is good for you." "Do not tread on the tail of me coat." Oh the hon. gentleman tried it, - he tried treading on the tail of me coat and he knows what happened to him. "Do not tread on the tail of me coat, Mr. Chairman not you, not Your Honour. I am addressing Your Honour rhetorically. I am looking at you, Your Honour, but I am really thinking of someone, I am thinking of someone else. Oh no, from Finance. Oh, Mr. Chairman, we are having the

May 22 1970 Tape 974 page 9.

budget speech debate since the department of Finance was called. And I
assume that when at length, next Wednesday, or Thursday or Friday we
finish the Department of Finance and we come to the Department of
Provincial Affairs we will have the budget speech all over again.
The budget speech debate, a

Mr. Smallwood.

a far-ranging debate on the finances of the Province and after three or four days of that, we come to Education and Youth. There is a case where we should be debating the budget - the whole financial position, because you can relate it to youth, you see. You cannot think of youth without wondering about the financial state of the Province. So, we are going to have a big long debate on the budget speech under the heading of Education and Youth and obviously, as you go through Mines, Agriculture and Resources, how can you discuss them without discussing the whole financial picture of the Province? But obviously you can. So, this whole idea, that we can discuss financial matters only while we are discussing Head IV, Department of Finance, this is a silly idea, obviously. You can talk about the whole financial position of Newfoundland under every heading, Economic Development, especially, Fisheries, Municipal Affairs and Housing, Newfoundland Liquor Commission. There, it is good for three or four days, at least, Newfoundland Liquor Commission. We can have all about the beer again. We can have all about Ben Ginter. We can have all about the letter that I wrote. We can have all about exemption from taxes out at Stephenville. We can have the Act brought in. We can have copies of the letter circulated. All of this will come up under Liquor Commission and, of course, obviously, it will come up under Economic Development, because I am the minister and then, let us see, Social Services and Rehabilitation.

How can you discuss Social Services and Rehabilitation, without discussing beer and Ben Ginter and John O'Dea and that letter? It all comes under Social Services and, of course, Health and all the rest. We are going to have a budget speech debate on every heading here and the hon. gentlemen across are not going to repeat themselves. There will be no tedious repetition, no tedious repetition. There will be none - no tedious repetition. There will always be in order. Every word they will utter will be strictly germane - what is the word, strictly relevant. So, we are going to have a very fine, brisk debate on these estimates once we get through this present one,

Mr. Smallwood.

Finance, say next Thursday or Friday, say a week from today. We should be finished with the Department of Finance, should we not by 6:00 p.m. a week from today? Would the hon. gentlemen think..

MR. MURPHY: No, I am just satisfied to go to sleep and perhaps I might get a chance over the long weekend, when everybody else is on holidays.

MR. SMALLWOOD: If the hon. gentleman would like to come back here, if he would like to come back, and he cannot get anyone, I will make him an offer. I will come back, and I will sit here and if the hon. gentleman, if the hon. gentleman will make half as good a speech on these estimates, as he did at the Tory convention, just half as good, just one-half as good, I will come anytime and listen to him -anytime at all, I will come and listen to him and because it was a good speech. There were three good speeches at that convention, only three. The rest were - the three were Mr. Shea, Dr. Kitchen and the hon. gentleman.

I was proposing to carry on until 6:00 p.m. - a little more, just a wee bit more to the subject. Well I would like to be as relevant as the hon. gentlemen who have spoken. I would like to be equally relevant to this topic as they were, and I think that that is only right. But on second thought, may be on second thought, may be we can hear a deathless oration, if I sit down. May be now we can have, may be a few more catch words that will catch the news tonight - a few catch words, a few slogans, "deep, deep trouble." How about something else. You know somebody should think up some quotable..

AN HON. MEMBER: Crisis..

MR. SMALLWOOD: No, no it would have to be deep, deep trouble. If only the stations could reproduce the tones of shock and horror with which those words -"deep, deep trouble!" Man is born to trouble as the sparks fly upward.

"We are in deep, deep trouble!"

MR. MURPHY: Academy Award.

AN HON. MEMBER: What we need are more seamless garments.

MR. SMALLWOOD: Only one is allowed to wear^aseamless garment at a time. Only one.

Mr. Smallwood.

They pass it around. There cannot be two seamless garments. There is only one, and they pass it around. They lend it to each other, as they speak to the House - seamless garments, impeccable and infallible. By the way, your Honour, I do hope that among all in the Chamber who have been enjoying the debate this afternoon from both sides of the House; especially, from the Liberal side, I do hope that among all who have listened to the debate, the students from Norris Arm have enjoyed it, because they own this House. They have just come in on a temporary visit to have a look at their House. They are occupying just ^{the} 'strangers' galleries for the time being, but a little later, when they grow up, they will be standing for election. I am sure as Liberal candidates. What else could they do? They will be standing as candidates and getting elected and coming into the people's House, here down on the floor and occupying these benches over here on this side of the House. They will occupy these benches and one will be the Premier, the Liberal Premier and if I am dared, I will stay until they are old enough. I will stay. I will favour the House. I will do the House the favour of staying on as Premier until they are old enough to run for Premier, and they have to be nineteen.

MR. MURPHY: Would the hon. the Premier have the choice?

MR. SMALLWOOD: What?

MR. MURPHY: Would that the hon. the Premier had the choice?

MR. SMALLWOOD: Does the hon. gentleman think I have not?

MR. MURPHY: Absolutely.

MR. SMALLWOOD: You mean, does the hon. gentleman.

MR. MURPHY: On that side?

MR. SMALLWOOD: What?

MR. MURPHY: On that side?

MR. SMALLWOOD: Yes. Does the hon. gentleman really think that after winning six general elections in a row which is three times as many as any man ever won

in our history- six in a row, that the magic is gone?

MR. MURPHY: Look at the money we have spent on Education over the past...

MR. SMALLWOOD: That magic is gone. The magic is gone. The energy is gone. The vigor is gone. The energy is gone. The magic is gone. The good and righteous cause has gone. Oh yes! Oh! Oh! Oh! yea of little faith.

MR. MURPHY: Is not the Premier aware that this past year he has not got two desk helping receptions from the members over there?

MR. SMALLWOOD: Two? I have had three. I have three and if the hon. gentleman starts daring - if he starts daring

MR. MURPHY: The tears rolling down - oh! tremendous.

MR. SMALLWOOD: Well why not. Did not the hon. gentleman ever cry?

MR. MURPHY: Ever cry?

MR. SMALLWOOD: Yes.

MR. MURPHY: Oh! many times.

MR. SMALLWOOD: Did he use a handkerchief? The trouble is, when you do not use a handkerchief, when you cry and do not use a handkerchief, your face gets grubby, because if your hands are dirty - I saw a man who cried and he did not have a handkerchief and he wiped the tears away with his hands, and he was a streak of black.

When Churchill burst into tears, I do not know whether he used a handkerchie or not..

MR. MURPHY: Yes, but he was a renegade was he not ?

MR. SMALLWOOD: The hon. gentleman is quite wrong about Churchill. Churchill was no renegade. Churchill was Churchill. and he graced any house in which he was a member. He graced any party of which he was a member. Churchill was Churchill. He was head and shoulders above..

Oh! the hon. gentleman is collecting a list of renegades. Now he is listing himself with Churchill and Whiteway. How about Bond? May be Bond is a little indelicate word. If anyone...

MR. MURPHY: Would it be worthwhile to order another glass of water?

MR. SMALLWOOD: Yes do, please do. If anyone - you should never mention rope to anyone who has had anyone hanged in his family. Rope is an indelicate thing to mention. So do not mention the name Bond too freely.

MR. MURPHY: Has the session finished, Mr. Chairman?

MR. SMALLWOOD: Yes, finished.

MR. MURPHY: I think it would be a real good idea.

MR. SMALLWOOD: Thanks for the compliment. Two speeches at the Tory convention and here.

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

MR. NOEL: Mr. Speaker, the Committee of the Whole have considered the matters to them referred and have directed me to report some progress and ask leave to sit again.

On motion report received and adopted.

On motion committee ordered to sit again on tomorrow.

MR. CURTIS: I move, Mr. Speaker, that the remaining orders of the day do stand deferred and that the House at its rising to adjourn until tomorrow Tuesday at 10:30 a.m.

MR. SPEAKER: It is moved and seconded that this House at its rising do adjourn until tomorrow Tuesday at 10:30 a.m. and that this House do now adjourn.

This House stands adjourned until tomorrow Tuesday at 10:30 a.m.