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VERBATIM REPORT

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SPEAKER: THE HONOURABLE GEORGE W. CLARKE

The House met at 3 p.m.

Mr. Speaker in the Chair.

MR. SPEAKER: Order !

HON. J. R. SMALLWOOD (Premier): Mr. Speaker, I have the honour to table in the House today the Report of the Royal Commission on "The Accounting Procedures of the Town of Bay Roberts." At the same time, a letter that I have received from the hon. the Minister of Municipal Affairs and Housing. The letter from the minister is as follows: "My dear Premier, I am deeply shocked and grieved by the Report of Mayor Adams. My conscience is clear in all my dealings, as the Mayor of Bay Roberts. I realize that no direct charge is laid against me in the Report of Mayor Adams. I quote from the report as follows: 'I cannot find any evidence of misappropriation of any funds by the Mayor and Councillors.'

"The only offence I committed in the eight years I was Mayor of the Town was in the final year. That offence consisted of my having grown weary of the office. Several times I threatened to resign from the position but was persuaded from doing so. Frankly, my main objective, as Mayor of the Town, was to obtain a water and sewer system, which is vitally needed if the Town is to continue among the more progressive communities within the Province. When it became apparent to me, due to tight money, that the water and sewer system would not be brought to my native Town, I did lose interest in the position as Mayor and paid little attention to it. Naturally, it was a deep disappointment to me at that time.

"However, during my term of office, as minister, this has been my constant concern and you and my colleagues in Cabinet have been made fully aware of my views in this regard. However, I am pleased by the recent announcement of the Minister of Health and your concurrence that immediate steps are to be taken to prepare plans for the erection of a hospital on the site now owned by the Town, within the municipality.

"Premier, what hurts me deeply is the possibility that you and our colleagues in the Cabinet may be politically embarrassed by my

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continued membership in the Cabinet. I have followed your leadership and shall continue to do so to the last moment. I have greatly enjoyed the close fellowship I have had with the members of the Cabinet for the past fourteen months. I would not for a moment be the cause of any embarrassment to you or to my colleagues. I have, therefore, made the decision to resign my seat in the Cabinet, effective the end of the present month and to take my place as a backbench supporter of the Government in the House of Assembly and elsewhere.

"I am determined on this course. I ask you to accept it in the interest of the Government and of the Liberal Party. I will remember forever your unending, personal kindnesses to me and equally unending kindnesses of all our colleagues in the Cabinet. I know that time will vindicate me. With all good wishes to you and the members of the Cabinet, sincerely yours, Eric Dawe."

To that, I have sent the following reply: "My dear Eric, your letter comes to me as a bit of a shock for I read into the Report submitted, by Mayor Adams, no attack on you and no suggestion whatsoever of any kind of dishonest, nor dishonourable conduct as Mayor of Bay Roberts. I happen to know the great work you did as Mayor of Bay Roberts. I believe that every living soul in Bay Roberts is fully aware of it.

"You were one of the most distinguished Mayors that Newfoundland has had. This fact was well recognized when you were elected to be President of the Newfoundland Association of Mayors and Municipalities. You have given excellent service these past fourteen months as Minister of Municipal Affairs and Housing. You have worked day and night and the many hundreds of mayors and councillors and other delegations, who have called on you, have been greatly impressed by your knowledge of municipal affairs and housing and by your determination to help all who sought your help.

"You have expressed to me by letter and orally as well, your absolute determination to resign from the Cabinet and take your place as

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a backbencher in the House. I deeply regret your decision but at the same time, I fully respect it. You leave the Cabinet with the respect of all your colleagues. I have no doubt whatsoever that your decision and your conduct will be fully vindicated in the eyes of the Newfoundland people. You leave us with our very best good wishes. Sincerely yours, Joseph R. Smallwood."

PRESENTING PETITIONS

MR. WILLIAM R. SMALLWOOD: Mr. Speaker, I beg leave to present a petition from the Newfoundland Federation of Fishermen, Local No. 40, Beaumont, Long Island.

Now, Mr. Speaker, as you are undoubtedly aware, the Federation of Fishermen on Long Island, through the Long Island Co-Op Society, have run the community stage in that settlement for the last ten years. They have done one of the best jobs on any community stage, in the operation of it, that I have seen around the coast. However, Sir, in this petition they ask for the installation of an ice-making machine and the erection of a cold storage room in the vicinity of the community stage.

I might say, Sir, that it was only approximately a year ago that they managed to install a fresh-water gravity fed system to the plant or to the community stage. I am not sure, Mr. Speaker, whether, actually, this is a Federal Government matter or a Provincial Government matter. However, I do think that this can be done by the Provincial Department of Fisheries.

I, therefore, ask that the petition be received by the House and referred to the department to which it relates.

MR. R. BARBOUR: Being very concerned with the welfare of fishermen of Newfoundland and Labrador and having being made, in earlier years, an honorary member of one of the fishermen's locals in this Province, I feel it is my duty, because of my interest, because of my concern for the fishermen of Newfoundland and Labrador, to support the petition so ably

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presented by the hon. member for Green Bay.

I think, Mr. Speaker, there is nothing too good for the fishermen of Newfoundland who toil from daylight to dark to make a living to support their families.

Therefore, Sir, I am very proud to have the honour to support the petition.

On motion petition received.

NOTICE OF MOTION

HON. L. R. CURTIS (Minister of Justice): Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce a Bill, "An Act Further To Amend The Judicature Act." Mr. Speaker, there are already two such Bills on the Order Paper, so I presume this one will be dealt with - the number that the printer assigns to it

ANSWERS TO QUESTIONS

MR. SMALLWOOD: Mr. Speaker, I have the answer to two questions. One is Question No. 517 on the Order Paper of April 19, in the name of the hon. the member for St. John's West. The answer to the first part of question (1) is: November 13, 1970. The answer to the second part of the same question is: To represent the interests of the Government in connection with the Mill by reporting to the Government opinions of the suitability and adequacy of the plant equipment and construction which are proposed, the progress of the work relative to the schedule, current costs both committed and forecast relative to the Budget, verification of the progress payments relative to contractual obligations, identification of special problems that may arise, recommendations to assist all groups in making this project an economic success.

The answer to the first part of question (2) is yes an agreement has been entered into with Dick Engineering. Will we table a copy of the said agreement? I am not sure that we will. I am not sure that we will not. The answer to question number (3) is in two parts, approximately, \$25,000 and to the second part, \$5,000 a month for the services of the principal of the firm, Donald D. Dick. The services

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of any supporting staff required are to be supplied on the basis of payroll costs. Time is a factor of 1.70 for overhead. The company is to be reimbursed for out-of-pocket expenses such as; travelling, long distance calls and so forth.

The answer to section (4) of the question is that Dick Engineering did inform the Government that in their opinion the increased costs of constructing the linerboard mill are necessary if the project is to be completed.

Question No. 525 on the Order Paper of 20th. April, in the name of the hon. the member for St. Johns' Centre, one of the leaders of the Opposition. The answer to the first part is no. The answer to the second part is yes. The answer to the third part, none. The answer to the fourth part, none. The answer to the fifth part, not applicable.

HON. HAROLD STARKES (Minister of Highways): Mr. Speaker, I have the answer to Question No. 466, asked by the hon. member for St. John's West. The answer is, yes.

MR. CROSBIE: That is the first part of the question.

MR. STARKES: Mr. Speaker, in connection with the financial year which commenced April 1, 1970, and with reference to any contracts awarded by the Department of Highways for highway, road or bridge construction to be paid for by the Government of Newfoundland alone and for which public tenders were called for by the Department of Highways, were each such contracts awarded to the lowest tenderer in each case? The answer is, yes.

MR. CROSBIE: Okay!

MR. SPEAKER: Before we take up Orders of the Day, I wish to draw the attention of the House that today we have the pleasure of having in the galleries some thirty students from Mary Queen of Peace School. They are accompanied by their teacher, Mr. Greene. I know that I speak for all

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members of the House, when we wish them a pleasant visit here. We hope that their visit will be both pleasant and instructive.

MR. MURPHY: On Orders of the Day, Mr. Speaker, I would like to direct a question to the hon. Minister of Supply. With reference to Atlantic Aviation,

MR. MURPHY: I have been informed today that four mechanics were brought in from Montreal to work with that company and also a pilot. Could I have this confirmed by the Minister of Supply in view of the fact there is a great layoff from E.P.A. in Gander?

MR. NOLAN: Yes, I am not familiar exactly with the question referred to by the hon. the Leader of the Opposition. I do know that there were problems regarding certain repairs for one water bomber that may have necessitated the aircraft either bringing the people in, I have called the company concerned, and I have said this more than once, we are anxious to have people who are Newfoundlanders, qualified, employed by the company to take care of any repairs that may be affected, not only to this aircraft but any other in the Government service.

I would be more than happy to check on the question that was asked by the hon. the Leader, because I am as anxious about this as he is, Mr. Speaker. Thank you.

MR. MURPHY: Thank you.

ORDERS OF THE DAY

MR. J. C. CROSBIE: Mr. Speaker on a question to the Minister of Health - he is not here, I will direct it to the hon. the Premier - has the Government received any representation from the hospital workers at Grand Falls in connection with an automatic five percent increase in their salary, which they expected to receive this year as a result of the Government statements last year, when the controversy was on in connection with hospital employees pay? Have the Government received any representations from them, and what is the position on that five percent promised additional pay?

HON. J. R. SMALLWOOD: (PREMIER): Mr. Speaker, I have no knowledge of any such representation having come to the Government. I have no knowledge of it. I have no knowledge of any such five percent automatic increase. I have no knowledge of it. I have no knowledge of any promise having been made by anyone in authority that there would be such an automatic increase. I have no knowledge of it.

MR. CROSBIE: Mr. Speaker, a supplementary question. On April 29, 1970, does the Premier not remember announcing to the House - Does the Premier remembering announcing the Government's intention to propose to the House annual incremental increases in the new classification scale, which would be not less than five percent on April, 29, 1970?

MR. SMALLWOOD: That is not into effect yet.

MR. CROSBIE: That is not in effect yet.

MR. SMALLWOOD: Inaudible.

MR. CROSBIE: So that five percent would not be in effect this year.

MR. SMALLWOOD: No, of course not.

MR. CROSBIE: Well the impression was given last year, it would be.

MR. SPEAKER: Order!

MR. CURTIS: Motion one.

Motion, the hon. the Minister of Finance to move the House into Committee of the Whole to consider certain resolutions in relation to the granting of Supplementary Supply to Her Majesty for the Financial Year, the 31st. day of March, 1971.

MR. SPEAKER: The Motion is that I do now leave the Chair:

MR. SMALLWOOD: Mr. Speaker, I have a letter from His Honour, the Lieutenant Governor.

MR. SPEAKER: "To the Hon. Minister of Finance: I, the Lieutenant Governor of the Province of Newfoundland transmit supplementary estimates of sums required for the Public Service of the Province for the year ending the thirty-first day of March, nineteen hundred and seventy-one and in accordance with the provisions of the British North America Act of 1867, as amended, I recommend these supplementary estimates to the House of Assembly."

The Motion is that I do leave the Chair for the House to go into Committee of Supply:

MR. CROSBIE: On the Motion, Mr. Speaker, the Motion is that the Speaker leave the Chair for Committee of Supply, before that Motion is carried on I would like to speak on a certain subject, as provided for in the Rules of Beauchesne. And I propose to move an amendment to the Motion.

MR. CROSBIE: The subject is, Mr. Speaker, there is an improbity that has just come to public notice of the firm of Martin Goldfarb consultants being retained by the Government of Newfoundland to carry out a survey or study for the Government of Newfoundland on the tourist situation in Newfoundland, on the one hand, the reply to Question 302 made in this session, the Government stated that the firm of Martin Goldfarb Consultants of Toronto has been retained to carry out a study in tourism for the sum of \$75,000. And that \$25,000 had been paid that firm with a further \$25,000 to be paid to them on April 1. And the balance when the study was done.

It has now come to public attention, Mr. Speaker, that the same firm Martin Goldfarb of Toronto is carrying on at the same time as it is retained by the Government of Newfoundland to do this study, it is carrying on a political public opinion poll for the Liberal Party of Newfoundland, authorized by the Liberal Party of Newfoundland whose Leader is the Premier of the Province. This is confirmed by a news story in Toronto yesterday, that the same firm is now in the process of conducting a political public opinion poll, Martin Goldfarb Consultants. I have here a copy of a questionnaire that Mr. Martin Goldfarb, consultants, are using in this public opinion poll. Some thirty odd questions. The point is this, Mr. Speaker, that it is obviously improper for a firm to be retained both by the Government of Newfoundland to carry on work for the Government of Newfoundland studies or investigations paid for by the Government of Newfoundland and for the same firm to be retained by the Liberal Party, which is a party in power in the Government of Newfoundland, whose Leader is the Premier of the Province, at the same time carry on a political public opinion poll around this Province, asking questions such as what political issues do people think that they feel strongly about? Asking them, who their favourite politician is? Asking them, who they are least likely and most likely to vote for in the event of an election? Asking them would they vote in the next election? Asking them, who their favourite politician is in Newfoundland? And why do they like him? Asking them to compare Mr. Smallwood and Frank Moores. Asking

MR. CROSBIE: then whether they are interested in certain issues, fisheries programmes, control over logging operation, Federal/Provincial Development Corporation, Government Education Programme, Free books to Grade IV, larger allowances for mothers of children in school, the new school bus programme, the new General Hospital at Memorial University, the Fishermen's Union, asking them what they think of the Government's reaction to the Fishermen's Union demand, dental care for all children under age thirteen, women serving on jury duty, reform of the courts, as proposed by the Government, BRINCO programme for enriched uranium. Asking them to indicate who can best manage certain issues. Asking them if they heard of John Nolan? Asking them have they heard of Ed Roberts? Asking them have they heard of Bill Rowe? Asking them have they heard of Frank Moores? Have they heard of William Marshall? Of Anthony(Ank) Murphy, or Harold Collins and the like.

MR. SPEAKER: I have to interrupt the hon. member, but I hope, or I trust that he is going to make an effort to connection this up with the Resolution granting the Supplementary Supply.

MR. CROSBIE: Yes, Mr. Speaker. When the Government asked for a Committee of Supply that is the time, according to Beauchesne, that a member can speak on a subject and then move an amendment dealing with that subject. That is what I am doing now.

Mr. Speaker, I consider this to be very serious improbity at the least, for any firm that has contractual relations with the Government of Newfoundland to be used in another capacity by the political party that controls the Government to carry out political information surveys. Martin Goldfarb, the man in question, is reported today as saying that he has been engaged by the Liberal Party in Newfoundland in connection with the coming election, to advice them on how best they can act to be elected? That this is somewhat the same kind of work as merchandizing tomatoes. That the same principles are at work. There are some tomatoes that he has got to merchandize in this Province, Mr. Speaker, if he is going to get the Liberal Party of Newfoundland re-elected here. The same principles apply. And he has been retained to advise the Liberal Party

MR. CROSBIE: of Newfoundland on this, and at the same time engaged by the Government to carry on the political public opinion poll.

Mr. Speaker, this gentleman is being paid \$75,000 by the Government. It is certainly in the public interest to know what this gentleman is going to be paid for by the Liberal Party of Newfoundland to conduct this poll.

MR. NOLAN: He did not want it to go on record, Mr. Speaker, he just said that Mr. Goldfarb was engaged by the Government to carry on public opinion polls

MR. CROSBIE: No, the Government carrying on this tourist study. Engaged by the Government to carry out this tourist study and, on that point, Mr. Speaker, if you are going to carry out a study of tourism in Newfoundland you are probably going to sample opinion as to what has to be done to improve the tourism possibilities. But, the point is, a study on tourism is not related to this political study. But, the same firm is doing both. We know that the firm is to be paid \$75,000 to do this work for the Government of Newfoundland. We do not know if it is to be paid anything for doing this other political work for the Liberal Party of Newfoundland, and this is a situation, Mr. Speaker, that in my view calls for a public enquiry.

There is a conflict of interest between this firm being engaged by the Government and doing the study in one capacity for the Government and at the same time doing blatant political work to try to get the party in power re-elected to stay in as a Government in the next election. I never heard of this happening before, We all know, Mr. Speaker, that the political opinion polls are done, the political parties have them done, and individuals have them done and the rest of it. But, so far as I know, this is the first time that a firm of this nature has been engaged, at one and the same time, by a Government to do studies for a Government and at the same time to do political study for a political party. This is a definite improbity that should be investigated. Is the firm being paid for doing its work for the Liberal Party of Newfoundland? If, so what?

MR. CROSBIE: Or is payment from the Government considered payment for it all?

Obviously, these are questions that the Government have to answer and should answer. The kind of work that they are doing in the political survey is asking people how they voted in the last election? How do they rate certain politicians for the job they are doing. I am privileged to be included among the politicians. I was going to get a copy of the results, it would be all right. Smallwood, Moores, Jamieson, Nolan, Roberts, Bill Rowe, Marshall, Crosbie and Hickman. One noticeable omission, the Minister of Education is not included in that.

Then the public are asked which of the following best describes your attitude towards Mr. Smallwood. "Like him somewhat, like him a lot, dislike him, please explain," and the same thing is asked about Mr. Moores and Mr. Crosbie. "Is there any Provincial Minister you think is doing a great job?" Is another question. "If a Provincial election were held today who would you think would win in this area? What party? Would you like to see Mr. Smallwood win or lose? Do you think the Government did enough in establishing a Select Committee to hear evidence, opinion and recommendation from the fishermen's union, fish packers or all other interested parties? Did enough or did not do enough, please explain. Do you feel that the general economy of Newfoundland is now doing very well? Just fair, poorly? Do you think that there are oil and gas of the coast? Do you think the future for Newfoundland is very good, somewhat good and the rest of it? What did you think of the Newfoundland Development Conference?" the poll asks. That is a dandy. In other words, were you fooled by that great disarmament conference of January? "Was there any part that you thought you liked?" the public are being asked. "Was there any part that you felt that you disliked? Is there any one person you feel who stood out during the conference?" We know what answer is desired there. "Do you think the Government's intentions in the conference are very likely to come true? (1) somewhat likely to come true, (2) not likely to come true, (3) "I think there will

MR. CROSBIE: be a big plus sign on that number three. "Do you feel the conference was a good thing for Newfoundland? Not a good thing for Newfoundland? Why?"

Now here is an interesting question asked by this firm who is also doing this work for the Tourist Department. "What do you think of Mr. Smallwood's performance in the conference? Would you say his performance was: excellent? good? fair? or poor?" The same firm that are engaged to be paid \$75,000 by the Government for Tourism study are going around asking this question. "What did you think of Mr. Smallwood's performance in the conference? Excellent? Good? Fair? Poor?" Should there be another presentation of an oscar, or whatever the Canadian award is?

Then they asked for some basic data to classify their data, "are you male or female? Your age? Income? If you are presently employed? Education? Area of residents?"

Mr. Speaker, I do not know if Martin Goldfarb consultants are doing anything else at all in connection with the Government of Newfoundland apart from this tourism, report on tourism in Newfoundland for the Department of Economic Development. But, the fact that they are doing that and that they are also doing a political opinion poll for the Liberal Party of Newfoundland, that they are doing both, at least that has not been denied to date. That they are doing both. It seems to me that there should be a public enquiry, and at the very least, that the firm of Martin Goldfarb Consultants should resign from one of them. They should not be either doing political public opinion poll work for the Liberal Party of Newfoundland, or they should cease to carry out this contract to do a report on tourism in Newfoundland for the Government. There should be a complete explanation of this conflict of interest, improbity and a complete explanation, Are they doing work for the Liberal Party of Newfoundland, if so, what are they being paid for it? Did they do work for the Liberal Party before they got this job with the Government? Where they retained before that?

MR. CROSBIE:

Are they doing any other work besides the tourism work and are they going to continue doing political work for the Liberal party at the same time they are doing other work for the Government? A complete explanation is necessary. I therefore move the following amendment, Mr. Speaker, the motion is that the Speaker leave the Chair for Committee of Supply. I move that all the words after that be deleted and be replaced by the following: "That an inquiry be instituted into the operations of Martin Goldfarb of Toronto with respect to work underway for the Government of Newfoundland by his firm and reported political opinion polls underway in this Province by Mr. Martin Goldfarb for the Liberal party of Newfoundland and any possible conflict of interest or impropriety thereby resulting." Seconded by the Leader of the Opposition.

MR. SMALLWOOD: Mr. Speaker, I have heard some hypocrisy in my time but I have just heard the most sickening stomach-turning hypocrisy I think I have ever heard in this House, utterly sickening. A Government must not advertise in the daily newspapers and the Liberal party advertise in those same papers at the same time because there is a conflict of interest. A Government must not broadcast on the radio or over television and the Liberal party broadcast over the same radio and the same television because that is a conflict of interest. What sickening bosh that is.

Mr. Speaker, the firm of Martin Goldfarb came to the attention of this Government as being perhaps the cleverest and the most competent people in the whole of Canada and the only one in Canada that has clients all across Canada and across the United States. They are a Canadian firm, wholly Canadian but they have been retained by the Ford Company of Canada and the Ford Company of the United States and a number of other companies in the United States and a large number of industrial companies in Canada. They have been retained by various Governments across Canada. They have been retained by municipalities across Canada. They have been retained by the Government of Canada itself and a number of the departments of the Government of Canada. Their clients

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are very large in number and large in importance, they are a large reputable concern and this Government hearing of them engaged their services. This has been stated here in the House, it has been stated by my colleague, the Minister of Economic Development, that he has, with the consent of the Government, retained the services of Martin Goldfarb and Associates to make a very careful study, which is about study number seven, I think, since Confederation, into the whole question of the tourist industry of this Province which we regard, Mr. Speaker, as one of the greatest economic potentials we have in this Province.

We believe in this Government that the possibilities of income for the Newfoundland people out of the tourist industry are amongst the highest possibilities we have in the whole Province and we wanted the expert knowledge and the expert skill of an expert company to make a study of this whole matter and submit recommendations to us. We engaged another firm the other day in Winnipeg to make a study of fish farming in Canada with particular reference to Newfoundland. We have learned of the importance of fish farming in different parts of Canada, especially Manitoba, and now lately we have heard of the same thing in Nova Scotia and in many parts of the United States and in many parts of the world. We have perhaps more lakes, ponds, streams, gullies, fresh water, around this island and in Labrador than perhaps any other part of North America, consisting of clean, wholesome water and we saw no reason why we should not develop a fish farming venture in this Province.

So we engaged a firm in Winnipeg to do it. We have engaged various firms to do various things, this Government has done that and we propose to continue doing it, we are proud of it.

We do not pretend for one moment that in the ranks of the Cabinet we have all the knowledge and all the brains and all the experience. We admit, we know that there are companies across Canada and down in the United States who have specialized, who have concentrated on certain particular phases and

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certain particular matters and so we will continue to engage those firms. In this case we have engaged Martin Goldfarb, who are perhaps, in some respects, the biggest and the most successful firm of its kind in the whole of Canada and perhaps the only one in Canada with as many clients in the United States as in Canada. You have to be good in Canada if you can have clients across the United States, you have to be good and they are good. Now they are making this study for us and it is none of the hon. gentleman's business, he being a Tory and a renegade, none of his business what the Liberal party do. The Liberal party repudiates him with contempt.

MR. CROSBIE: It is public business.

MR. SMALLWOOD: It is none of the public's business. Every political party in this world except in communist countries, every political party conducts polls. That is one of the means you have, it is only one, there are others, that is one of the means political parties have of keeping in close touch with the pulse of the people, knowing what they are concerned about, knowing what the issues are that are uppermost in their minds, knowing what their attitudes are toward the problems of the Province or the country or the state, as the case might be, and also knowing how they feel, learning how they feel toward the party in power.

Has the House not heard of Senator Allister Grossart? Has the House not heard of the great Tory Senator, a personal friend of mine, by the way, Allister Grossart who made John Diefenbaker Prime Minister of Canada or was the means of getting the Canadian people to do it? Who was Allister Grossart? He was the head of his own agency in Toronto. Has anybody heard of Dalton Camp? Dalton Camp made the present Tory Leader of the Tory party of Canada, the hon. Robert Stanfield, made him the leader of that party as he had previously gone down to Nova Scotia and made him Premier of Nova Scotia. Has no one heard of Dalton Camp and his services to the Tory party? Has no one heard of McClaren's Agency in Toronto, retained for many years by the Liberal

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party? What kind of sickening hypocrisy is this to hold up holy hands in horror at the idea of a political party engaging pollsters?

AN HON. MEMBER: Kierans.

MR. SMALLWOOD: The number is Harris in the United States. What was the first thing John Kennedy did when John Kennedy was seeking the democratic parties nomination for President of the United States? What was the first thing John Kennedy did? Engage pollster firms to poll public opinion. John Kennedy never went inside a single state to engage in a primary election, not once did he go in without first of all sending the pollsters in ahead of him to poll public opinion and to find out what the issues were that were on people's minds and in their hearts.

MR MURPHY: For the Leadership the hon. the Premier had two.

MR SMALLWOOD: The hon. member who just complained has had polls made. The Tory Party there had polls made and we have had polls made, the Liberal Party has had polls done in Newfoundland, in at least seven different elections, Provincial and Federal, and we are not ashamed of that. We are not ashamed of that. We are not ashamed that we use the "Evening Telegram" and the "Daily News" for political purposes, during elections. While the Government itself buys space, we are not ashamed of the fact that the Liberal Party uses the radio stations and buys time on them when time is for sale and at the same time the Government of the Province pays money to them, No conflict of interest! What arrant nonsense that is. What arrant nonsense. What foolish prattle that is, Mr. Speaker, and the childishness, the childishness of getting up because he got hold of a questionnaire, and reading it out, the childishness of it.

Does he suggest there ought to have been other questions put on? Does he suggest that there are not enough questions? Does his blood really turn cold and he expects us to believe that his blood has turned cold because he has discovered this awful secret, this awful secret, this skeleton in the

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closet of the Liberal party that they had a poll taken? Yes, Mr. Speaker, we have had many polls taken and that is because we are most eager and most anxious to know what the people are thinking and to have the polls done scientifically and that is why we always know what we are about, that is why we win elections. I can tell the hon. gentleman right now that he is not going to see the results of this poll but he will know them on polling day, about eleven o'clock that night he will know the results of the poll and he will have very little reason to be chortling or grinning then I can assure him.

MR. MURPHY: Mr. Speaker, if I may, I would like, first of all, to congratulate the Premier on another great performance of dragging out red herring but I do not think he will be able to market them at any profit at this time. He has mentioned many things, he has mentioned Dalton Camp, McClaren's in Toronto, advertising in the newspapers but he did not state the point that the hon. member brought forth, where this company, at the present time, is doing a survey for the Government of Newfoundland at a cost of \$75,000. and simultaneously doing a survey for the Liberal party. Now the thought occurs; are we getting two for the price of one and who pays the fiddler?

This is a very, very serious matter, Mr. Speaker, in my opinion. I was aware of this poll being taken. I received many phone calls from different people, a lot of them thought it was an invasion of privacy. Well, that is their own thought but when the two were brought together today, where we have a firm that all the people of this Province, all the people are paying \$75,000. to do a job and, as I say, at the same time doing a survey for the Liberal party, could we in our minds say to this company, "Look your way is being paid to Bonavista or wherever it is while you are down there, while you are down there find out about tourism, while you are down there find out about -"

MR. BARBOUR: (Inaudible).

MR. SPEAKER: Order please!

MR. MURPHY: Mr. Speaker, as I say, while this company is in an area of this Province -

MR. SPEAKER: Order please!

MR. MURPHY: Do not be so ignorant. Be quiet when other people are speaking is the first principle of politeness. Shooting off your mouths trying to drown out all this from the people. This is the way they have been getting away with this type of stuff, Mr. Speaker, drawing red herring. We were talking about, as I said earlier, Dalton Camp, President Kennedy but I bet you Dalton Camp was not doing a survey for the Federal Government when he did one for Bob Stanfield or anything else and I doubt if any of these people would do it.

the question I am raising Mr. Speaker, is who is paying for the Liberal polls and it can be a very very very important issue at this time. The conflict of interest is there it is left as a doubt in the minds of the people (conceivably, conceivably one of these posters could come in today and get ideas on tourism and the same person come back tomorrow and get ideas on which party I would favour. I thoroughly agree with the hon. member for St. John's West this is a direct conflict of interest and an enquiry should be held immediately and the people of this Province should be told the facts not bulldozed, not yelled at, as the hon. member has been, kicked out of the Liberal Party, a renegade, because he dared stand on the floor of this House, the People's House, and ask questions concerning \$75,000 of the People's money. Perhaps he should be hung or shot for asking these questions on behalf of the people of this Province.

For too long for too long the people of this Province have been bluffed and bulldozed by these loud statements, forgetting entirely what this question is. The Premier did not even mention once in his great dramatic explanation over there about the point at issue. Sure any political party are allowed to do a poll. Sure they are. But not at the expense of the people of Newfoundland, and until the Liberal Party proves, proves to the satisfaction of our people, we can only, we can only guess that a deal was made with this company - you had to do this survey now what about doing one for us. And as I said earlier, do we get two for the price of one, Mr. Speaker? That is the question that can be legitimately raised in the minds of the people of this Province. I fairly support the motion put forward, for too long, for too long, Mr. Speaker, these things have been left to go unquestionably and unchecked. It will come to a vote, it will come to a vote we will know what the answer will be. We are the only ones concerned with the \$75,000. Apparently no one on that side is concerned, great deal, may

get us elected. Very cheap price perhaps. Construction firm doing work while your bulldozers up in Topsail Area - look would you mind going up to my place in Topsail Pond, you know, and do a little bit of the driveway, hey? I live in Topsail Pond I am not referring to the minister over there. This could quite easily happen. What is the difference? Until the Government can prove to all the people that there is no question of pollution in this, only then and only then, Mr. Speaker, can this Government and the Premier stand up and say "Not Guilty." But the thought is there, very, very, very close together. We have a survey at a cost of \$75,000 to the people of the Province. Simultaneously, as I said, another survey going on for the Liberal Party, by exactly the same firm.

The greatest, we know, they have to be the greatest. If the Premier hires them they have to be the greatest. No second best, and the most expensive, I would not doubt. Doing a tremendous job. Premier mentioned MacLaren's, We know MacLaren's we know what they did last year, the last election, for the Liberal Party. So, Mr. Speaker. I would say that all of us here in this House, not only the hon. member for St. John's West, myself on this side, this is a very very serious matter. The Premier says, "we can advertise in the newspapers, we can go over radio." Would it not be nice to see a big add seeking information on Tourism and underneath it the slogan: "Vote Liberal". That would look good. That would look very good. So when the Premier starts to bring out these points he thinks that is, you know, the old stuff; I have said it, I have spoken, my word is true, forget it, forget it these are only a bunch of trouble-makers.

No, Mr. Speaker, this is a very, very serious matter and I would like to see an enquiry be set up as to this association, the cost of one and the cost of the other, and proven to the people of this Province, proven to the people of this Province and I have very much pleasure Sir,

in seconding this motion and, as I say, I believe quite sincerely that this matter should be cleared now, in this House today that there should be proven whether there is conflict of interest or not in this firm working simultaneously for the Government, at \$75,000 for the survey, and for the Liberal Party, is it just a nominal one dollar - five dollars - ten dollars? So I have very much pleasure Sir, in seconding this motion.

MR. HICKMAN: Mr. Speaker, if I may have a few words in support of this motion. We have heard a lot of talk and dissertation about opinion polls and political parties using opinion polls to try and ascertain the wishes of the voters of a particular area, or a province or the nation. Whether they have been used in the past and probably in the future does not necessarily mean that they are right, or that they are defensible. Indeed Mr. Speaker, if they are defensible and if they are right there is one leading liberal politician in Canada today who does not believe they are right and who has advised the House of Commons that he intends to do something about it. I refer to the Hon. John Turner, P.C. Minister of Justice and Attorney General of Canada, who seems to be doing a pretty good job in that portfolio and who has from time to time expressed his determination to protect the people of Canada from the invasion of their privacy.

Mr. Speaker, this is what opinion polls, polls sponsored by Finance Companies, polls sponsored by merchandizers, polls sponsored by almost anyone you can conceive of, constitutes an invasion of the liberty of the subject and an invasion of privacy. I know Mr. Speaker, whether it is trash or not, I know Mr. Speaker, that somebody is already out around my district with this sort of question, whether it is this group or another group I do not know. But I tell you one thing, Mr. Speaker, that it is offensive to Newfoundlanders. I have had calls over the weekend and I suspect this is the one because Burin is on it, saying

somebody has been asking me these questions. 'What do I tell them? It is none of there so-and-so business, and I agree with them. It is not. What business is it of anyone as to how the hon. member for St. John's West voted in the last election or how some person living in Port au Choix voted in the last election? There is no point of paying lip service to the secrecy of the ballot or the polling booth and then going down to some place in Burin or Bonavista and asking, without disclosing what it is all about. But suddenly asking, "how did you vote in the last election?" Mr. Speaker, this is what Newfoundlanders find offensive. Newfoundlanders are going to do one of two things with the opinion polls that are now circulating in this Province. They are either going to have a bit of fun with them and confuse the questionnaire and those for whom the questions were placed and that would serve them right. They are either going to have a bit of fun with it or alternatively they are going to slam their doors in the faces of the questionnaires and, if they do, I say "More Power To Them," not only do it for this do it for those that come around and ask how much credit you had. Do it to anyone who comes around and says, "How many televisions sets have you bought in the last ten years, what brand do you like." It is no concern of anyone other than the private individual, where do you draw the line?

Do you stop because the Better Business Bureau tells you to stop or do you stop because the Minister of Justice of Canada brings in legislation creating it a crime and putting it in the category with begging and all the other things that we now find going on in North America, prying into the; even members of the House of Commons, into their private lives. Where does it end? Mr. Speaker, the point made by the hon. member for St. John's West and the point made by the Leader of the Opposition is quite valid and quite germane to this issue. When you have the same company and the same man doing the same type of business for Government

and for the political party that is in power, then the public are entitled not to an explanation they are entitled to be satisfied beyond all reasonable doubt that the political party is not getting a bargain at the expense of the taxpayers. We know that there has been now a sudden generation of activity in the tourist department. We do not need Mr. Goldfarb to come down and make a survey to tell us we have three or four weeks left in order to get some action out of the Department of Tourism in this Province, to save the tourist industry of the south coast and to find transportation from St. Pierre to the Burin Peninsula. We do not need him to do that. We do not need him to tell us that for six months nothing has been done in that particular field of transportation of tourism even though municipalities have been asking for it since last November. We do not need Mr. Goldfarb for that, and we do not have to do handstands at the suggestion that this Government is really concerned about Tourism and really believes that this is one of the great money generating branches of our industry, because all we have to do is look at the estimates for last year and, including salaries, we find a total of \$645,000 spent on this great generator of, and that included loans to motels, this great generator of industry and jobs.

No, Mr. Speaker, if political parties are going to be allowed to continue following the proposed amendments to the criminal code, I am sure that they will, and Mr. Speaker, there is no doubt at all that regretfully but it happened and maybe it is part of the game that after elections are over these same people who do opinion polls and do advertising from the party that wins seems to get provincial accounts. We witnessed in New Brunswick and Nova Scotia, immediately following the provincial election, a switching of accounts. No other reason for it than the advertising agency had done the work for the party that was elected. But is that right? Is there anything right about it? Of course there is not, Mr. Speaker, it is no concern at all

if Simpson's or Eaton's or somebody else wants to go out and hire anyone without calling tenders or without calling bids or proposals from other advertising agency, that is their own business. But when they are given this work to do at public expense then it is the business of this House, Mr. Speaker, and that is why I support the motion that is put by the, the amendment by the hon. member for St. John's West and I suggest to this House that the issue of what Dalton Camp or what Mr. Harris did for President Kennedy is quite far removed from the motion that is before this House at this time.

MR. EARLE: Mr. Speaker, a motion of this nature is very easy to get excited and exercised denials and reputations and all that sort of thing on the sort of thing we are hearing today. No problem at all to draw red herring against a matter of this sort but I hope that the people of Newfoundland today sit back quietly and realize and think themselves what is happening to the Government which they elected. You only have to read this morning's newspaper to read the Liberal Column and see the great protestations there on the purity and honesty of this Government I can think it is only a Liberal executive that could have taken that without getting stomach sick. It is so nauseating and so infuriating and so foolish that it is beyond belief that such a thing would be printed on behalf of a party. But then, on top of that, this afternoon to come into this House and to hear equal protestations from the Leader of the Government about the conduct in this particular instance where it is so blatantly obvious to an infant or to anybody that wants to listen that you cannot operate with complete integrity with a person who is doing two jobs or a firm that is doing two jobs for one party at the same time.

Now it is all very well to dismiss that by saying the Liberal Party are doing this and the Liberal Government is doing something else for

which they are being paid, but anyone knows that the Liberal Party has the ear of the Liberal Government and the Liberal Government has the ear of the Liberal Party. It is not good enough to say there is no consultation or nobody knows what is going on. This is so obvious, that each knows what the other is doing. How this thing could so easily be arranged between the two parties concerned as a complete cover-up for any internal movements which they might wish to make.

Now perhaps, admitting that none of that is going on. Supposing we accept the assurances of the Premier or anybody in the Government that the Liberal Government and the Liberal Party are completely divorced on this sort of thing. It is virtually impossible it is too much to swallow, one could not believe it. But supposing we stretch our imagination and say, all right, we could believe that there were two separate groups operating with this one complex, at a time such as this, with an election approaching, most certainly, the Government should be sensitive enough to know that by employing tactics of

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this sort. They are opening up a vein of suspicion, the very thing which my colleague from St. John's West mentioned. It indicates that there is ample room for suspicion; that there is underhand or wrong doing and this sort of thing. Therefore, a government should welcome a commission of enquiry into this sort of thing. Because, if it is perfectly innocent, if it is all right, and if there is nothing to hide, I should think that every member on the other side would vote for a commission of enquiry into this to clear them once and for all. The smallness or childnesses of the questions and the questionnaire have nothing whatever to do with it. The type of questionnaire of the type of questions have nothing at all to do with this subject. The point at issue is this that the Government are doing one job with this firm. The Liberal Party are doing another job with the same firm. Is there or is there not a conflict of interest in this? It might well be compared to something which we see going on in the Province all the time. I think a question was answered in the House the other day as to how many trips the Premier took in airplanes? He took so many commercial which were paid for. He took so many private which were given by private companies and private individuals.

I contend that the premier of a province should not accept such trips, because he is almost automatically in favour with the people who give these trips. It is not right. It is not sensible. It is not ethical in any sense of the word for members of government to go around like this, using private contractors' planes and so on from place to place. Nor is it ethical to be in favour of any person who is doing a job for the Province. A government cannot put itself in that position. It should not put itself in that position. The Government should not put itself in the position of employing services of a company which is, at the same time, doing a job for a political party where all the cards are stacked in favour of that party and where the company concerned is doing a job to try to help that party win an

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election. This is so completely unethical. It is so completely childish, if I might repeat the words that such a thing is entered into by the Government at a particular time like this and that I should think they would welcome this Resolution which I strongly support.

MR. MARSHALL: Mr. Speaker, I would like to add a few words with respect to this motion. We heard or we saw a great display by the hon. the Premier to the effect that there was nothing wrong with hiring posters. I suppose political parties have, certainly in modern times, hired people to conduct polls from time to time; nor is there anything wrong in employing a public relations firm to look into the propagation of the tourist industry in this Province. But it is very wrong. It could be very wrong, Mr. Speaker, for the public relations firm to be employed by the same person or the same individuals wearing two hats. They cannot wear the two hats. The public of this Province are entitled to know who is paying for it. The Government, after all, have gotten themselves in the position where they are paying, the state, \$75,000 to this firm, in total, for tourist development in this Province. Having employed Martin Goldfarb for this purpose, it is really incumbent upon them to inform the House in specific detail or to inform an enquiry as to what the Liberal Party is paying Martin Goldfarb for this survey which is being conducted. After all this is a situation that the Government have gotten themselves in. The allegations brought up by the hon. the member for St. John's West are very, very serious allegations and ones which this House should surely look into.

Here we have a firm, a firm of private - a private firm being employed by both the Government and the Liberal Party of Newfoundland with an election coming up and, obviously, we have the right to know whether or not any public monies or any portion of the public monies are being used for the purpose of supporting the Liberal Party in the next election.

Mr. Marshall.

The argument used by the hon. Premier, with respect to the newspaper advertisement and the radio advertisement, has absolutely no validity whatsoever, because we know that a newspaper is paid for each ad accordingly as it is placed and the same with the radio station. But the whole issue at stake in the Resolution that is being brought up or the motion that is being made by the hon. the member for St. John's West is: "Who is paying for it? Are any public monies being used for the Liberal Party?" I would heartedly endorse the motion and will vote for it and support it.

On motion amendment lost.

On motion that the House go into Committee of the Whole on Supply,

Mr. Speaker left the Chair.

MR NOEL: CHAIRMAN OF COMMITTEE OF THE WHOLE ON SUPPLY

MR. SMALLWOOD: Mr. Chairman, tomorrow I will bring down the Budget showing what we estimate to be the expenditures of the Government for the twelve months that began the first day of this month. Before that year is over, this present year, we will be coming into the House asking the House for Supplementary Supply. That is for additional money. That is what I am doing today. A year ago, we brought before the House our estimates of how much money we would want for the year that ended a month ago. But today, I am bringing in supplementary estimates for last year, just as about a year from now the Minister of Finance will bring in supplementary estimates for the present year, although tomorrow we will be bringing down the main estimates.

But, Sir, the main estimates cannot - cannot! There is no human possibility that tomorrow when we bring down estimates of expenditure for the twelve months that those estimates will be complete and completely, exactly on the beam. It is impossible. How can a Cabinet sit down and know and put down on paper and bring it into this House, exactly what it will spend in each one of the twelve months in each department of the Government. It is impossible. It is a human impossibility.

Mr. Smallwood.

This is why in every House, House of Commons at Ottawa, the House here in St. John's and the one at Halifax and the one at Fredericton and one at Charlottetown and the one at Quebec City and the one in Toronto and the one in Winnipeg and the one in Regina and the one in Edmonton and the one in Victoria - in every House in Canada, Federal and Provincial, every year, more faithfully than any clock, every year governments come back to the House, when the year is over, asking for supplementary supply, which, Mr. Chairman, does not mean additional money.

A large part of this \$42.75 million, which is the amount of the warrants, the Governor's Warrants that were tabled in the House the other day, this is the reflection of the Governor's Warrants. A large part of this money is money that could not be foreseen when the Budget was brought down a year ago, just as when the Budget is brought down tomorrow, it will be quite impossible to foresee precisely every item of expenditure for the twelve months coming. It is impossible! There is no human way to do it! What you do, in bringing down your main estimates for the year, is bring down to the very best of your knowledge, the very best that you can foresee. But you cannot thoroughly and completely foresee all that will happen and all that will need to be done in the twelve months. You bring down all that you know, For instance, you know that you are going to pay teachers' salaries of so much. You know that you are going to pay school boards so much. You know that you are going to pay pensions to retired civil servants of so much. You know certain things. You know it. There is no guess work. You know it, so they will be in the main estimates that we will bring down tomorrow.

But, Sir, the main estimates that we will bring down tomorrow cannot - there is no way - they cannot include every last thing that may happen in the next twelve months, just as the Budget we brought down

Mr. Smallwood

last year did not foresee these items that I am asking for today, Supplementary Supply for last year, not for the coming year but for the year that is gone.

Now I want to make it abundantly clear to the committee that this is not additional money. This does not increase the expenditure of the Government in the past twelve months by \$42.75 million - not so. Because what happened, of course, throughout the year, was that many things budgeted for were not spent. There were millions of dollars that we were authorized to spend in the Budget last year - millions and millions of dollars that we did not spend - many millions. Oh! when the Budget is brought down tomorrow, that will be shown. It is always shown - always! invariably! Year in and year out it is shown - invariably. Never has there been the slightest variation or the slightest deviation, always inevitably, inexorably, universally, in this House and every House across Canada, every year, there is brought forward Supplementary Supply, and there is brought forward the main estimates, the Budget and the Budget Speech, explaining the year that has gone, Before it comes to the year that is coming, before it reaches the year that is coming, it deals with the year that has gone by. In its account of the year that has gone by, it recites, it itemizes item by item the over-expenditures on the various items and the under-expenditures on other items.

Now what does this Supplementary Supply represent? It represents amounts that we went to the Governor about and asked the Governor, during the year, as the law tells us to do and gives us the authority to do, we went from time to time, to His Honour, the Lieutenant-Governor, by Order-in-Council. We passed an order in Cabinet, ordered that His Honour be prayed to grant his warrant for, and then a sum of money and naming what it is for. These warrants have been tabled in the House. They had to be tabled every session; everytime we go to the Governor and ask him to do what the House of Assembly normally does, normally does. We cannot

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go to the Governor. It is against the law to go to the Governor so many weeks before the House opens or during the time that the House is open or for so many weeks after the House closes. We cannot go to the Governor. He will not grant any warrant, while the House is in session. He will say, "oh, no, you go to the House." We cannot go to him so long before the House opens. He will say, "I am sorry. Wait until the House opens. Get the House to do it." We cannot go to him for so long after the House closes because the Governor will say; "sorry, you should have done it when the House was open."

So, there is a period in the year when only this House can grant money. But for the remainder of the year, for the remainder of the year, the Governor can grant his authority to the Government to spend money. He does that by way of a Governor's Warrant. Now all the Governor's Warrants in the world would not create any money. The mere issue by the Governor of his warrant to spend money does not create the money. A mere warrant to spend, does not allow you to spend, if you do not have the money. All the Governor does is authorize you to spend it. He does not create the money. He will not. He will not sign his warrant to a Government to spend money unless he knows that the money is there for the Government to spend. The warrant is the authority. It is not the cash.

Now throughout the year, we went to the Governor from time to time and prayed him to issue his warrant for us to spend certain money. - We had the money to spend and so he granted his warrant. We spent it. This is a list of it. But I want to emphasize that this is not - N-O-T - an increase in last year's expenditure of \$42.75 million. It is not! It is not! We did, in fact, spend a little more last year than we budgeted for. But this is not reflected in the Supplementary Supply. Now the House will see this when the Budget is brought down tomorrow. But in the meantime

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MR. SMALLWOOD (J.R.): These are the amounts of the Governor's Warrants, these are the amounts of Supplementary Supply for which we ask.

Now Mr. Chairman, is there a Bill? Now, the Schedule, how does the Committee wish to proceed? Will we have the debate now in the freedom of Committee? We are in Committee now, will we go through it in detail in Committee so that when the Committee rises, having completed its consideration, the rest is mere formality of going through. I take it this would be the pleasure of the Committee. In that case the first item is \$30 thousand...

MR. CROSBIE: On a Point of Order, before we get to the individual items we have to debate the principle of this whole procedure. I believe this is the correct procedure, and this is the time we should be debating the principle on this resolution...

MR. CHAIRMAN (Noel): The procedure is for the Chairman to read the Resolution and from the Resolution then we turn to the Schedule which is in the Bill, and then, when the House passes the Schedule and the Bill, we then pass the Resolution. Then we go through the Bill and pass the Bill, report back to the House and it goes through as a matter of form. Anybody who wishes to speak on the matter has to do so after I read this Resolution.

"That it is expedient to introduce a measure to provide for the granting to Her Majesty for defraying certain expenses of the public service for the financial year ending the 31st. day of March 1971. The sum of \$41, 742,918.00." The Schedule of the Bill, the first item is legislative \$30 thousand.

MR. CROSBIE: Before discussing the first item I want to speak on the principle of the Bill which is as the Premier has just done on the general principle of the Bill. Then I understand we go through each item and then you can only discuss what you have there for that department. Before proceeding to legislative, I want to discuss the general principle behind this Bill.

MR. CHAIRMAN: We had this out I think the last time we were in Committee on a financial Bill. The items that we are limited to are the items that are listed here. Pardon me now and I will just explain. You will recall

that before we went into this session, the last time we were in Committee Mr. Speaker said that the debate on the principle would take place in the Committee.

On this occasion Mr. Speaker has not said that and there was a debate in the House which you are not allowed to refer to. Therefore, as I see it now the Committee is limited to the item which has been placed before it and the item which I have just called now is, head (2), Legislative \$30 thousand.

MR. CROSBIE: Mr. Chairman, on that point, we have one opportunity to debate the general principle of this Bill and this has not been done. It has not been and we have not discussed this Resolution

MR. SMALLWOOD: The motion was carried. It was amended and the amendment was carried.

MR. CROSBIE: I am on my feet speaking Mr. Chairman, can I have the floor?

MR. SMALLWOOD: (Inaudible)

MR. CROSBIE: Can I have the floor, can I have the floor? Mr. Chairman, we have not debated the general principle of this Resolution which is to vote \$42 million for the Government. We are now dealing with the Resolution. Once we have spoken - the Premier has just spoken on the general principle of this Bill. The Premier did not just speak on legislative, he spoke on the general principle of this motion. We now have the right to speak on the general principle, after that we go into the different headings. That has always been the position agreed here. If that is not the case, then we have the right to discuss the whole general principle on second reading of the Bill. The Bill is brought in after the Resolution is passed.

MR. CHAIRMAN: Order please! as I see the matter here, this is a simple case. I do not see any problem with it really. The Committee has been appointed on a particular Resolution with a particular Bill. It is true that on the last occasion we sat in Committee, we did get into debate on the principle in Committee, but that was because the Speaker had said to the House before we went into Committee that in order to cut the matter short we would go into

Committee and have the discussion on the principle of the Bill and the whole thing the one time. But that is contrary to the ordinary rules and that has not been said this time. The only matter which has been referred to the Committee is this matter. We cannot discuss something that has not been referred to.

MR. CROSBIE: Mr. Chairman, what has been referred to the Committee is this general Resolution that the sum of \$42,742,000. be voted. This is what we want to discuss, it is that general Resolution. If it is not going to be discussed now then it will have to be discussed on second reading of the Bill. I mean...

MR. CHAIRMAN: Pardon me, if I might - the Chairman in Committee cannot make any ruling on that - that would be for the hon. member to take up when it is called in the House. At the moment, all I can say is that it is exactly the same as the estimates and we call the items item by item. Hon. members are free to speak if they please on the various items as long as they are relevant to them, and then we go back to the House. Then what happens in the House is another matter.

MR. CROSBIE: But Mr. Chairman, the Resolution has not been passed by the House yet. Surely we are entitled to discuss this whole Resolution, that the sum of \$42 million be voted before we are restricted just to discussing the individual items of Legislative and Executive Council.

The hon. the Premier just spoke in the Committee. He gave a general outline of why the Government is now asking for Supplementary Supply, and I therefore, now wish to speak in general as to why Supplementary Supply should not be granted or whether it should. I submit to the Chairman that if the hon. the Premier had the right to speak on the general principle of this Resolution...

MR. SMALLWOOD: Sit down, sit down, sit down

MR. CROSBIE: I do not obey the Premier

MR. CHAIRMAN: Order please!

MR. SMALLWOOD: Sit down, obey the rules.

MR. CHAIRMAN: Order please! order.

We are not supposed to refer to what went on in the House, but we all have eyes and ears. On this particular question the hon. member in the House did actually refer to Beauchesne, and did actually address the Chair, and did actually say on that occasion now was the time for him to speak on the Bill, on the matter. He referred to Beauchesne and quoted the authority of Beauchesne that that was the proper time to speak. The hon. member proceeded then to debate the thing and to move an amendment to the motion that the Speaker leave the Chair.

We can only do it formally, we have to follow the traditions of the House, the traditions of the Assembly. Our position now is that actually we were contrary to tradition the last time. The way we are doing this this afternoon is the proper way for it to be done. We have no other alternative but to go ahead and do it.

MR. CROSBIE: The item that Your Honour is calling then is Legislative. Mr. Chairman, there is \$30 thousand asked for in the heading Legislative. \$42 million asked for in Supplementary Supply by the Government, a total of \$42 million. Mr. Chairman, the hon. the Premier wants to argue that this Supplementary Supply Bill does not mean that there was an increase in expenditure by the Government last year. That is to put it simply and distinctly, is so much hogwash. The amount of \$30 thousand now being voted under the heading Legislative is an additional expenditure over and beyond what was authorized by this House to be spent last year.

Of the \$42 million in this Supply Bill, somewhere close to \$40 million will be additional money over and beyond what this Government was authorized to spend last year, not from countervailing savings. Mr. Chairman, I refer you to the Revenue and Audit Act, chapter 31 of the revised Statutes of Newfoundland, which deals with the matter of Lieutenant Governor's Warrants and Supplementary Supply.

The Premier said that the Lieutenant Governor is asked, while the House is not in session, to do what the House of Assembly does usually. That is the way it should be, but under section - the only way the Government Mr. Chairman, can spend additional money, not authorized by this

House, when the House is not in session is under section (37) of the Revenue and Audit Act, chapter (31) of the revised Statutes of Newfoundland, 1952. In connection with this \$30 thousand, what did the Government do? The Government can spend that additional \$30 thousand not voted by this House last year only in accordance with section (37). What does section (37) say? "When all monies provided by the Legislature and allocated under a subhead have been expended or commitments have been incurred which would take up the whole of such monies, a department may, with the prior consent in writing of the board, if countervailing savings can be affected under other subheads of its head of expenditure, apply such savings to meet the excess expenditure, whether or not the Legislature is in session."

So, if there are countervailing savings there is no need for Lieutenant Governor's warrants, there is no need for Supplementary Supply, that is malarkey. Under section (37-1) if there are countervailing savings the amount can be spent. The Government does not have to go to the Lieutenant Governor and get a warrant. In the case of this \$30 thousand here under Legislative...

MR. SMALLWOOD: (Inaudible)

MR. CROSBIE: Can I continue my address, Mr. Chairman? In the case of this \$30 thousand Legislative, what did the Government do? It had no countervailing savings, if it did, the item of \$30 thousand would not be before us. It had to act under section (2), section (37-2) of the Revenue and Audit Act. "If when the Legislature is not in session, or when the House of Assembly has stood adjourned for more than thirty days, any expenditure in excess of that provided for by the Legislature, or not foreseen and not provided for by the Legislature, is urgently and immediately required for the public good the following provisions shall have effect.

So that \$30 thousand has to meet this test. Was it expenditure in excess of that provided for by the Legislature? It had to be that or not foreseen and not provided for. It must be urgently and immediately required for the public good. If it meets that test. Then under section (37-2) the Government - the minister in charge reports that there is

insufficient Legislative provision, and no countervailing savings are available, that is what they report, not the pretense the hon. the Premier makes that this does not represent additional expenditure at all, that there were countervailing savings. That is completely incorrect, there were not. They have to report to the Lieutenant Governor, and this is a completely false report. The minister reports there is insufficient legislative provision and that no countervailing savings are available and there are other subheads of the head of expenditure concerned, and of the minister having charge of the service in question.

That the necessity is urgent, then the Lieutenant Governor may, on the recommendation in writing of the Treasury Board, order that a special warrant be prepared for signature by the Lieutenant Governor for the issue of the amount estimated to be required, and the amount shall be added to the appropriation under the relevant head of expenditure. That is one way they can get a Lieutenant Governor's warrant.

The second way is, if the subject of expenditure is one for which no Legislative provisions have been made then upon the report of the minister to that effect, that in his opinion the necessity is urgent, giving reasons for his opinion, and that if such expenditure is not made grave damage to persons or to property, that would not be in the interest of the Crown or public would occur, or excessive additional expense will result from delaying the expenditure until the necessary legislative provisions have been made, the Lieutenant Governor in Council may order this special warrant be prepared.

MR. CHAIRMAN: Order Please! order.

MR. SMALLWOOD: Is the hon. member across, from St. John's West, now disputing Your Honour's ruling, or is he just ignoring it? Would Your Honour clear the position I do not know how we stand? Is the hon. gentleman now in order to go and make a speech or is he questioning Your Honour's ruling, or is he putting it to a vote of the Committee or what? What is the position? I thought Your Honour had made a ruling, I thought he had but maybe I was wrong.

MR. CHAIRMAN: The point has been raised as to whether or not the hon. member for St. John's West is in order in what he is presently saying to the Committee, and as I understand the hon. member for St. John's, what he is now saying is, that item (2) Legislative \$30 thousand ought not to be voted because of some defect or other in the authority of Government to have spent the money and to be now asking the Committee for it. As I see it, that would be in order at this time.

MR. SMALLWOOD: Will this apply to every item Mr. Chairman?

MR. CROSBIE: This could.

MR. SMALLWOOD: I move that the Committee rise, report progress and beg leave to sit again.

MR. CHAIRMAN; The motion, is that the Committee rise, report progress and ask leave to sit again. Those in favour "aye," contrary "nay,"

MR. HICKMAN: Mr. Chairman, Mr. Chairman, before that vote is taken, on a Point of Order, Mr. Chairman on a Point of Order...

MR. HODDER: Mr. Speaker, The Committee of Supply, considered the matters to them referred and direct me to report progress and ask leave to sit again.

On motion, report recieved and adopted.

MR. SMALLWOOD: Mr. Speaker, I rise to a point, I do not know whether a privilege or an order or information, but I would like your honour's guidance as to how the business of the House is to be conducted.

MR. CROSBIE: Point of Order, Mr. Speaker.

MR. SMALLWOOD: I am on a Point of Order. There can only be one Point of Order. Mr. Speaker, there can be only one Point of Order. I am on a Point of Order, Mr. Speaker.

MR. SPEAKER: Order please. The hon. Premier says he is on a Point of Order, let him take his Point of Order.

MR. SMALLWOOD: There cannot be two Points of Order at the one time. I moved, your Honour, that the House go into Committee of the Whole on Supplementary Supply. There was a debate on that, as your honour knows, an amendment was made to it and debated. The amendment was put and lost. Then a motion was put and carried and the debate was over. The House then went into Committee of Supply. On Supplementary Supply I introduced the matter and Mr. Chairman called the resolution and I called the first item which is Legislative - \$3 thousand.

Whereupon, the hon. member for St. John's West, launched into speech. The Chairman of the Committee of Supply told him he was out of order and that he could not proceed but he proceeded and went on and on and on into what appeared to be five or eight minutes of a long speech and I moved that the Committee rise, report progress and beg leave to sit again presently.

MR. SMALLWOOD: What I would like to know, from your Hon. and a point on which I would like to have a ruling is this: Do we now begin all over again? At what point do we have second reading debate? The type of debate on the principle of a Bill, do we have it where we are calling the individual item? Do we have it on the second reading of a Bill? A Bill, and Act granting to her Majesty certain sums of money and so on and so on. That Bill has the normal title. "May it please your Majesty." "May it therefore please your Majesty, that it maybe enacted by the Lieutenant-Governor in the House of Assembly, Legislative Session convened as follows."

Here is the Bill in one section, with a schedule attached to it. Now we were at the point of considering the schedule and the resolution had been passed by the Chairman of Committee. Now when do we have the type of debate that is right and proper at second reading of a Bill? That is the principle. Shall the principle be adopted or not? Do you debate the principle, Mr. Speaker. On each one of these items Here are the items: Thirteen items, totalling \$42.75 million, do we have to debate on the principle in each of these? Do we have to debate on the Bill itself? So that we will know how to proceed, Mr. Speaker; are we going to have a debate on the principle of this in the Bill, in the schedule and in the preamble, and in the resolution? Are we going to have a principle debate on each of these stages? Parliamentary rules require that there be a debate on the principle of the thing once, namely at the second reading. In all the rest of it, it is debating detail not principle. Now, does that apply to a money Bill and does it apply to a Bill which has been requested by his hon. the Lieutenant-Governor in a letter that was read by your honour?

MR. CROSBIE: Mr. Speaker, before you rule on that alleged point of Order, the position is this, we were in Committee, I was addressing myself to the

MR. CROSBIE: first item, \$30 thousand under the head, Legislative. The hon. the Premier does not want discussed this \$42 million or \$30 million, he wants it swept through the House this afternoon in no time at all. He is objecting to my discussing The Revenue and Audit Act and whether or not this \$30 thousand had been properly expended under the terms of The Revenue and Audit Act. He made a complaint to the Chairman of the Committee. The Chairman of Committee ruled that the Premier's complaint was not in order, that I was addressing myself properly to the Head \$30 thousand Legislative, that I could continue with what I was saying. The hon. the Premier then moved not that the Chairman of the Committee's ruling be appealed to the House, the hon. the Premier moved, in a peevish, pettish, and petulant manner, since he had not had his way with the Chairman of the Committee, he moved that the Committee rise and report progress. There has been no ruling from the Chairman of the Committee appealed to your honour and therefore, your honour has no point on which to rule.

Your honour well knows that a member of the House cannot simply stand up in his seat and go into a long recitation of dreary woe as the hon. the Premier has and then ask your honour to advise him on whether this is so or that is not so. There is no issue before your Honour. There has been no appeal from the Chairman of Committee's ruling. He has ruled in Committee that I was properly addressing myself to the item in question and I therefore submit, Your Honour, that you should dismiss the Point of Order with the contempt it deserves.

MR. HICKMAN: Mr. Speaker, on that point of Order, I submit that the question now put to your honour is highly improper for a very simple reason that it could not be affectively followed. The procedure that has been followed at least since I have been a member of the House and I expect long before, and certainly the rules that are followed in other Parliaments, is that if any member of Committee is dissatisfied with the ruling of the Chairman, the rules are there, the proceedings are there, he simply asks that the

MR. CROSBIE: decision of the Chairman be appealed or upheld, it is as simple as that. So supposing Your Honour gave a long dissertation today as to what the Committee has to do. This does not bind, I submit Your Honour, the Committees to do that. Because as soon as the Committee sits again, any hon. member is quite free to get up and speak within the rules as they apply to the Committee, not any decision made in advance by Your Honour and if anyone objects then an appeal is taken to Your Honour. But surely it is quite improper and it would be very frivolous and vexatious for Your Honour to be asked to rule on an event that may or may not happen in the future, when we have rules in this House to be followed. The simple fact is Mr. Speaker, that the Chairman of the Debate made a sound ruling and this does not meet with the approval of the hon. the Premier and this is the way to circumvent. I say, Mr. Speaker, that on this point of Order, you do not, with all deference have the right to make the ruling at this time.

MR. SPEAKER: I thank the hon. members for their assistance and guidance in this matter. To put it briefly, or as briefly as I can, the Speaker to begin with, never answers hypothetical questions nor hypothetical Points of Order nor cases put before him. That is against the rules too. Secondly, there is no appeal from the ruling of the Chairman of Committees to the Speaker. Furthermore, if there had been an appeal, the appeal is to the House. In this House at least, the appeal is to the House and not to the Speaker, after the Committee rises. That is common knowledge and everybody is well versed in the rules enough to know that these are the facts.

Now this question has been posed time and time again and, without going into unnecessary I would not say instruction, but following out what we have done in the past I have had, on various occasions stated both from the Chair and in Committee that we have and it is I believe correct and borne out by precedents, that when a Bill of this nature comes before the House there are general remarks on the Bill

itself before we go into the schedule. When we go into the schedule and we go down through the various items in the schedule, any hon. member making remarks must make himself relevant to the section that is before him and as he goes through each item, he continues to be as relevant as possible - the Chair will not allow him to depart. But when all these things have been done, this Bill is then put before the House, the Resolution, as adopted by the Committee, is put to the House and the Bill is given its first, second and third reading forthwith without any further debate or without going back to a Committee of the Whole after second reading.

MR. SMALLWOOD: I ask your honour, at what point does the debate take place, after second of the Bill itself, not the schedule, the Bill. When does second reading, which is the debate on the principle, when does that take place?

MR. SPEAKER: *This* is not a second reading, because we are in Committee, but the general debate on the Bill itself takes place on the items. We are on page two now, that is clause (1) and the preamble, but the general items of question and explanation are given when the Committee is examining the schedule. This I have already pointed out; remarks relative to the schedule must be relevant to the very section, whether it is Legislature, whether it is Executive Council, it must be relevant to that and we cannot have - and here I am not making a ruling for the Chairman I am not speaking to the point of Order, I am just going over this once more, as I have done on a number of occasions. But the remarks made must be relevant and you cannot have a wide-ranging, all over the place, budget debate on each one of the sections contained in the schedule. That is the only remark that I have to make.

MR. MURPHY: Now Mr. Speaker, I was thinking this morning, to bring up a

MR. MURPHY: question that has been put, the Chairman is there, he is given certain functions to do, he makes a ruling, there is no appeal to his ruling. We did not ask you, we have heard this a dozen times, at one time we were asked not to discuss the schedule and the Bill was passed and we did not get a chance to discuss the schedule because he had passed it without any discussion. So the natural place to debate is on the schedule where the money is asked for, and the Chairman was absolutely right and quite frankly, I feel that the Chairman's authority has been somewhat overlooked in this matter..

MR. SPEAKER: I have given that explanation, in an attempt to help to clarify the situation. The Chairman, he makes his ruling in Committee, I will have nothing to say about that, because if somebody appeals this ruling, the appeal is to the House. There has not been an appeal and I would suggest that we go back to our Committee.

MR. SMALLWOOD: Before your honour concludes, would it be in order, when we go back into Committee, to debate the Bill and having discussed and decided on the principle of the Bill, then go on and deal with the individual items or will we deal with the individual items and afterwards deal with the principle of the Bill? Do we deal with the principle in debating the individual item or do we deal with the principle in the Bill? Or do we deal with the principle everytime there is an individual item called? That is my difficulty.

MR. SPEAKER: This is the explanation; I think that I possibly did not make myself clear. The debate on the principle of the Bill is not to be done on the schedule itself. The debate is before you go to the schedule. The schedule is the last item to do. When we get to the schedule, the debate of the principle has already been concluded and we should debate the various items and be relevant to the section or the clause contained in the schedule.

I am not interfering,, and I hope hon. members will read me correctly, I am not interfering in the slightest way whatsoever with the ruling of the Chairman of Committee.

MR. SMALLWOOD: One final point, Mr. Speaker, and then I am done. Can we not debate the principle of this Bill without going into Committee? If we go into Committee are we allowed to debate the principle of the Bill in Committee? Must we not debate the Bill in the whole House and not in Committee of the House.

MR. SPEAKER: We have done this in the past and I know that I have been in the Chair when it has been done. When we have taken the Bill itself and given it its reading in the House. We have done it three ways. We have done that and then gone to Committee and examined the schedule. We have also reported back from the House and gone into Committee again after we have had second reading on the Bill. Both the first way I have named and the second way, in my opinion, are not correct and

MR. SPEAKER: and the correct way to go about it is the way we have been doing it in recent years and the way in which they do it in other parliaments similar to ours, where they have similar rules. Where you debate the principle before you get to the Schedule, you debate the Schedule, item by item, and then come back and the Bill is given its first, second and third reading forthwith because the Bill has already been discussed in Committee.

MR. CROSBIE: Mr. Speaker, on that same point, this is what we have attempted to have done, but in Committee we were forbidden to discuss the principle of the Bill whatsoever, and then started to address ourselves to these various sections. Now, if we are going to be restricted in Committee to discussing these various headings only, then surely we will have the right when this Bill comes out of Committee to discuss the principle of the whole Bill on second reading of the Bill. It must be one or the other.

MR. SPEAKER: I will say to hon. members on this question, I am not going to have a new debate on this hypothetical question. I would suggest that we go back to the Committee or go on to the next order of business. The Motion is that I do now leave the Chair, Chairman of Committees.

HON. J. R. SMALLWOOD: (PREMIER): Mr. Chairman, I move, if it is in order, that we confine ourselves in Committee of Supply to the Resolution. If we, after debating it, if we adopt it, the Committee then could proceed to the Schedule or could rise report back to the House what it says, that it is expedient to introduce a measure. Well, the measure then is the Bill. And so in Committee of Supply, we might just debate the Resolution, and nothing else. And if it is adopted, after debate, if it is adopted then, we can deal with the Bill itself and the Schedule to the Bill.

MR. CHAIRMAN: The debate on the principle of this Resolution has already taken place in the House before we came into Committee. We are now in the same situation as if we were on the estimates, and we have to go through this Schedule, item by item.

Hon. members will recall that when we did the estimates in the past, it has been agreed in the Committee that the general debate on the department would take place on the first item. If hon. members wish now

MR. CHAIRMAN: we could adopt that procedure here, and have the general debate on the first item, and then pass on quickly to the other item. If that is the wish of the Committee, the Chair would allow rather wider ranging rules of debate on the item one, than would otherwise be allowed. But, if we are going to follow the rules strickly, then I will have to call each of these items and members vote each item and have to develop it to us. Now it is up to the Committee, if there is no dissenting voice the Chair will take this exactly the same, as we would on the estimates.

MR. HICKMAN: Mr. Chairman, my understanding is that, in this Committee we are entitled first to debate the Resolution. And, secondly, that with each item so long as the debate is relevant to that item.

MR. SMALLWOOD: After we adopted the Resolution, and not before.

MR. HICKMAN: That we have the right in Committee to debate it.

MR. CHAIRMAN: The Resolution says, \$42,742,000. right? Now, if we passed the Resolution, we have passed the Schedule, we passed the total. So that our practice has been to go to the Schedule first and then pass the Resolution. Because if you pass the Resolution there will be no further debate on it.

MR. MURPHY: We have already authorized the \$42 million, so what is the heck in....

MR. CURTIS: Mr. Chairman, If I might, that the proper course is for us now to pass the Resolution. That is usually done because a money Bill must be introduced by a Resolution. Now in the Resolution we do not need to refer to the Schedule at all. The Resolution is only resolved that a Bill be brought in to that effect. It is generally agreed before we proceed as to when the debate will take place. Will the debate take place on the Resolution, or will it take place on Second Reading? That is a matter for the House to decide, but we never have two debates. We will either agree to have the debate now on the Resolution stage, when strickly the details are not before us. It is only the Resolution that is before us really. The Schedule is only before us as a matter of convenience.

MR. SMALLWOOD: As part of the Bill.

MR. CURTIS: But, the Bill is not before the House.

MR. SMALLWOOD: That is part of the Bill.

MR. CURTIS: All is before the House now is this Resolution.

MR. SMALLWOOD: Right.

MR. CURTIS: And when this Resolution has once been passed, a Bill is brought in and read a first, second, and it can be debated -

MR. SMALLWOOD: And can be debated once in Committee or after the Committee rises or before going into Committee. But not twice.

MR. CURTIS: It can be debated, either in this Resolution stage or on the Second Reading, which ever the House decides. But the House should decide before it proceed when the debate will take place. You do not want to have two debates. You do not want to have a debate on the Resolution and another debate on Second Reading. You agree now.

MR. HICKMAN: Mr. Chairman, this does not restrict us from debating the Schedule.

MR. CURTIS: The passing of this Resolution does not restrict your discussing the merits of the Bill on Second Reading. And I will suggest that the House agree now to pass the Resolution and have the general discussion on Second Reading, and then we will know where we are. Strickly at the present stage, this information is not before us.

MR. MURPHY: I mean this should be brought in to itself, the Resolution.

MR. CURTIS: This is just leave to bring in a Bill to carry out the procedure that is all. I suggest that we have a second reading of the Bill and discuss it.

MR. SMALLWOOD: This happens every year. The same argument every year.

MR. CROSBIE: Well, now, Mr. Chairman, am I speaking on legislative now or am I speaking on the general Resolution?

MR. SMALLWOOD: Mr. Chairman, could I intervene, if the hon. gentleman will allow me. If it is agreeable to the Committee that we follow Your Honour's suggestion that the general discussion take place on item one in the Schedule. And that once that is adopted and passed that thereafter the rule

MR. SMALLWOOD: of strict relevancy be applied to the remaining items in the Schedule.

In other words the second reading type of speech would be made on Item one Legislative \$30,000 and the general remarks be made in the debate on that item. Thereafter, each individual item be spoken to with the strictest possible relevancy, because the general speaking is done and finished on the first item.

AN HON. MEMBER: Inaudible.

MR. SMALLWOOD: Personally, I think, it is wrong, but I would quite agree.

MR. CHAIRMAN: I have read the Resolution.

MR. SMALLWOOD: We did not adopt it. We did not debate it.

MR. CHAIRMAN: No, I have read the Resolution, so it is the Resolution now that is before the Committee. What is before the Committee now is the Resolution, which I read. In order to make the matter intelligible, we then go to the Schedule. All right? To see how the total in the Resolution is made up. On the first item in the Schedule, is when we generally have any kind of a general debate on the Resolution. You know. Do you follow me? So the Item now is Heading II, Legislative \$30,000.

MR. HICKMAN: Mr. Chairman, when we come, for instance, to Supply and Services, so long as we are strickly relevant, we can debate Supply and Services.

MR. SMALLWOOD: That is right.

MR. CROSBIE: Well, then, Mr. Chairman, a few general remarks first, tying in what I was saying about legislative. The point is, Mr. Chairman, that supplementary supply is not just such an easy thing, as the hon. the Premier wants to pretend. It is not as easy as rolling off a barrel. There are suppose to be, Mr. Chairman, certain rules of the Audit and Revenue Act met to obtain supplementary supply. That this expenditure has to be, there are no countervailing savings that - there is a recommendation of the Lieutenant Governor that there be a special warrant. And down in sub-section (b) that the necessity is urgent. The Minister gives reasons for his opinion, that if such an expenditure is not made grave damage to persons or to property or the interest of the Crown or the public will occur or excess of additional expense will result. It is not just as easy as rolling

MR. CROSBIE: off a barrel. If the Revenue and Audit Act is complied with, Mr. Chairman, if that strickly complied with, the Government would not be able to get the \$42 million that it got in Lieutenant Governor's warrant this year. For example, just look at this Provision Legislative, as an example, \$30,000. There is a Lieutenant's Governor warrant filed, in which an amount of \$30,000 is asked for by the Treasury Board and the ministers, to provide the necessary funds to pay the salaries of officers attached to the House of Assembly for the balance of the Current Financial Year.

Now, Mr. Chairman, that is an expenditure that could have been forseen, that should have been forseen by the Government last year. The Government knew that there were officers attached to the House of Assembly. The Government knew they had to be paid. The Government, in my submission, is not complying with the Revenue and Audit Act, when it gets the Lieutenant Governor to sign an additional \$30,000 for this purpose. Where is the grave damage to persons or to property? Or excess additional expense would result from not obtaining that \$30,000 and the rest of it? The Government is treating the Revenue and Audit Act lightly now, when it asks the Lieutenant Governor to give a special warrant. The Lieutenant Governor is not in a position apparently to go behind us and say, look, you are not meeting with Section 37 of the Revenue and Audit Act. Look at the Supplementary Supply the Government have asked for recently. Last year \$21 million. I will just give the round figures. Approximately \$23 million in 1969, \$54 million in 1968, \$53 million in 1966-67, I mean what kind of a Government is it that underestimates the money it is going to require to the extent of over one-quarter of its budget, \$53 million in 1966-67, \$14.5 million in 1966, down to \$9,800,000 in 1962. This Government, Mr. Chairman, last year in this House refused to have more than \$100 voted for the Department of Public Works Expo Building. Refused. And when that issue was raised across the House, when we said that, these estimates are false, that there were Expo Buildings under construction at Grand Falls, one promised at Gander, one promised down at Grand Bank, the hon. the Premier said, they are going to be constructed this year, the year that just ended.

MR. CROSBIE: But, you have only got \$100, as a vote, under the Department of Public Works for Expo Buildings. The Government said, Mr. Chairman, that we do not need any money for that purpose this year. The Premier said, the firm of Lundrigan's Limited are going to finance those expo buildings and only at the end of construction will they present a bill. We do not need any money in 1970-71 for expo buildings. We well just put in \$100. Now that is what the Government said. Why? Because the Government did not want the budget to appear to be that much further out of whack last March when it was brought down. The Government did not want to show an extra \$2 million deficit. And what do we find in the special warrants here? \$1,982,000 that the Government went to Lieutenant Governor and got special warrant for expo buildings. Now, how could they do that in the face of the Revenue and Audit Act, properly do that? That was money that the Government foresaw that was going to be needed. This did not meet the standards set down in the Act. Any expenditure in excess of that provided for by the Legislature are not foreseen. The Government foresaw that last year. Was it urgently and immediately required for the public good why? It could not have been. Why was this almost \$2 million needed during the year that the Government went to the Lieutenant Governor? The Government did not include it in the budget last year. It did not include it in the estimates. But sneaked up to the Lieutenant Governnor and got him to sign warrants for it during the year. This deliberate, deception of the House of Assembly and the people of Newfoundland deliberate, the Government deliberately deceived the people of the Province last year and the members of this House by saying, we need \$2 million less for Public Works, when they knew that they would need it during the year, and they went scuffling off and got it from the Lieutenant Governor during the year by getting a warrant signed. The Government is paying no attention to the Revenue and Audit Act.

The Premier says that this will not necessarily mean an additional expenditure of \$42 million. But, it will be darn close to that \$42 million. There may be some countervailing savings. There may be a few hundred thousand, or perhaps a million or two million, some departments did not spend to go against that \$42 million. But, the great bulk of it—

MR. SMALLWOOD: But, you got a great surprise coming to you.

MR. CROSBIE: A great bulk of it. Yes, this is going to be great a surprise. The great bulk of it is additional expenditure. Most of it is \$27. million borrowed for Come By Chance, that is what most of this amount is required for, \$28. million under Economic Development. The Government borrowed on the bond market some \$30. million and went and advanced \$25. million of it to Provincial Building Company, Limited, that is what the great part of it is for. But what Minister can stand up in this House, Mr. Chairman, and say that last year we did not realize that we were going to have to spend money on Expo buildings when they already spent \$2.5 million in earlier years and spent \$2. million to the last of the year.

MR. CROSBIE:

There was an urgent necessity apparently to get Lundrigan's Limited that \$2. million, yet the subject of expenditure is one for which the Legislature has made provision but the provision is found to be insufficient. The provision made was \$100.00. Then upon the report of the Minister that there was insufficient Legislative provisions and that no countervailing savings are available under other subheads of the head of expenditure concerned, that the necessity is urgent. Now how could the necessity for that \$2. million be urgent? Let us see when that warrant was passed for the Expo buildings. What was the date of it?

Here is one here, September 15, 1970, it suddenly became urgent to spend \$271,000. in Expo buildings, that is one of these. To provide the necessary funds to make payments and outstanding commitments in respect of Expo pavilions, the Lieutenant-Governor was asked to move a special warrant and the acting Minister of Public Works, Joseph R. Smallwood, stated; "The sum is urgently required in order to enable the Government to provide additional funds to make payments and outstanding commitments in respect of Expo pavilions." Why did the hon. the Premier not say that last April and May and June when the estimates were going through the House?

Then he said, "the other," he said, "is not required at all." But on September 15, 1970 he stated to the Lieutenant-Governor, "The sum is urgently required in order to enable the Government to provide additional funds to make payments and outstanding commitments in respect of Expo buildings." That was \$271,000. and the other warrant for Expo buildings an even greater amount, I will just look up the date of that. The other amount for Expo buildings, January 8, 1971, a Lieutenant-Governor's warrant was gotten for \$1,711,418. for Expo buildings to provide necessary funds to continue the erection of community centres at Grand Falls, Gander and Grand Bank and to pay interest on unpaid balances on account thereof.

The Minister of Public Works, in January, says, "The sum was urgently

MR. CROSBIE:

required in order to enable the Government to provide additional funds to continue the erection of community centres." All of these things suddenly become urgent during the year although when the estimates were presented to this House it was not urgent at all and the sum of \$100.00 put in. That is what is going to happen this year, Mr. Chairman. We will see again this year a false budget, we will see again false estimates, estimates understated by millions and millions of dollars to make the budget look better.

We will get no clear explanation tomorrow of what the Government is going to need this coming year to spend and what its estimates are going to be. It will be understated because the Government does not the tremendous amount that it has to borrow this year to be known the same as it did not want it known last year. It took nine months for us to find out, Mr. Chairman, that the Government had borrowed double the amount that it said in the Budget Speech last year it was going to borrow and this year it will be even worse. It will be election year and the Government is going to go wild spending to try to keep itself in power, spending on polls, spending on the poll that we heard about today, two for the price of one, \$75,000. to have an alleged tourist study done while the person in charge of the tourist study is out doing political opinion polls for the Liberal party and thereby charging that party one would guess relatively little for his public opinion polls. Public funds being used for double purposes.

The hon. Premier tried to pretend it is just a light matter, of course, this supplementary supply business and the hon. Premier pretends that there will be an explanation in the Budget, and if there is it will be the first time, of the money the Government saved last year. Imagine telling this House, Mr. Chairman, that the Government saved money last year when we know that the Government's deficit from the financial prospectus filed in New York that the deficit of the Government was \$103, million, not the \$56, million they pretended it was going to be nine months ago. It will be interesting to see

MR. CROSBIE:

how much was spent if the Government had a deficit of \$103. million when it should have been \$56. million. It is going to be very interesting to hear in the Budget tomorrow how much money the Government saved the year that ended March 31, 1971 and it will be interesting to see if the Budget actually tells us tomorrow what the expenditures of the Government actually were last year when this \$42. million is taken into account.

The Government has gotten used, Mr. Chairman, to just treating supplementary supply as a matter of course. Any Minister any Government will send up will meet the technical requirements of section 37(2) of the Revenue and Audit Act to obtain more money during the year, it does not matter that they are not being correct, the Government does not come to this House and say why it was urgent and necessary and all the rest of it for this \$2. million to go to Lundrigan's and the Expo buildings. The hon. the Premier has not explained the urgency or necessity of that. We have not been told anything in his opening remarks of the urgent necessity of the \$28. million under Economic Development, why that became urgently necessary, why it was not in the estimates last year. We have not been told why it was urgently necessary to get \$30,000. to pay the staff of this House of Assembly. The Government knew last year that the staff had to be paid. Why was the amount voted for Legislative last year understated by \$30,000.? The same old game; make things appear relatively less bad than they are at the time the Budget goes through then sneak through with Supplementary Supply a year later when people have forgotten about it. We can do it, who is going to care, that is the attitude and it is amply illustrated in this \$42. million.

Last year, Supplementary Supply \$21. million, the year before \$22. million and the year before that \$54. million, the year before that \$53. million and this year it is \$42. million. Next year, Mr. Chairman, I make a forecast now that next year Supplementary Supply will amount to, I would say, between \$70. and \$80. million if the present Government stays in power

MR. CROSBIE:

and in fact even if they do not because they will have spent the money before they go out of power, they will spend it before the election comes.

Supplementary Supply next year will be somewhere between \$60. and \$80. million, that is my guess. We will repeat the experience of 1966-1967, the year of the election when it was \$53. million and the next year when it was \$54. million. The Government will spend and bring in Supplementary Supply double what it ever was before. In 1966 it was \$14. million, in 1966-67 it was \$53. million because it was artificially kept down when the Budget was brought down that year and then spent during the year because the election was coming.

Supplementary Supply next year will be between \$60. and \$80. million, Mr. Chairman, I forecast that now just as we forecast in this House last year that the deficit under the Budget was going to be far more than the \$54. million the Premier showed last year. The House of Assembly is treated with absolute contempt by the Government, absolute contempt. The House is supposed to control the purse strings, does nothing of the sort. We had Interim Supply whacked through a few weeks ago to give the Government \$100. million to spend in the present two or three or four months; closure imposed to get it. We now have \$42. million of Supplementary Supply with the Premier trying to stop there a few minutes ago any debate on it, trying to whistle it through.

We have questions brought up before the House that scandals, that are enough to topple any normal Government. We have this scandal now of Martin Goldfarb paid by the Government out of public funds in one hand and doing political polls for the Premier on the other hand with a contemptuous answer, no explanation of why, with silly remarks such as this is like advertising in a newspaper. We have the situation in the Board of Liquor Control stores at Grand Bank, Placentia and Marystown, an absolute public scandal where some secret owner is hiding behind the Royal Trust Company and

MR. CROSBIE:

the Bankers Trust Company which is a subsidiary of Royal Trust, owning those buildings are going to make in the next few years \$180,000. to \$200,000. each, out of gross, exorbitant rentals paid by the Newfoundland Liquor Commission. Public funds being used for that purpose, \$12,000. a year rent in Grand Bank and St. Lawrence for a 1,665 square foot building. You can rent practically the whole of Grand Bank for \$12,000. a year, \$7.22 a square foot, a better rent than any firm in St. John's is paying for the top space in St. John's in the most modern building in St. John's. When a question is tabled in this House asking who owns the buildings the Minister of Finance tables a reply, "Ask the Royal Trust Company."

Imagine, the Government must know who owns those buildings. They never negotiated with the Royal Trust. Who is the owner of those buildings? That is the question. We can follow the transactions of the Registry of Deeds, Lundrigans Limited owned the land at Placentia originally. Is it Lundrigans Limited? Is it somebody else close to the Government? Is it someone in the Government? Surely there should be an explanation when this kind of thing is discovered, this fantastic paying out of rentals unjustified for three buildings that the Government could have built themselves for \$120,000. maximum, the whole three buildings and the Government is going to pay \$700,000. rent for them over twenty years and then it will not own them at the end of twenty years and the Government is going to pay all the repairs on them and the Government is going to pay all the municipal taxes and it is going to pay the heat and it is going to pay the light and it is going to pay the power and the cleaning. The owner has to pay nothing of that, the owners, and they are going to get \$700,000. besides, in rent. Surely that demands an investigation, not this investigation into the \$50,000. that was paid Lundrigans for selling the bit of land to Holiday Inns. That is not in the same category with these three Board of Liquor Control stores. If those stores are authorized by somebody in the Government lower than the Cabinet

MR. CROSBIE:

they should be fired whoever authorized those leases. If it was the Cabinet or somebody in the Cabinet themselves they should resign.

The Lundrigan piece of land by Holiday Inns or the Avis piece of land that is not in the picture at all compared to these three cosy situations with a Government that will not tell the people of Newfoundland who owns them even, and it must know the answer. That same Government comes to this House now and asks for Supplementary Supply \$42. million, stop worrying about it this is only an ordinary humdrum little thing, nothing to get excited about and it asks for \$100. million in Interim Supply and says you should not debate this, this is only a humdrum little \$100. million that we want to spend and you can trust us to spend it right. The same Government lashing out that rent every year in Grand Bank, every year in Placentia, every year in St. Lawrence to these three friends or one friend or whoever it is of the Government for those pitiful little BLC stores and will not give any details on it. That appoints a Royal Commission to investigate the Holiday Inns piece of land that Lundrigans bought for \$15,000. and sold for \$50,000. which may be justified, who knows, although it seems high. We will investigate some little thing like that, why? Because the Government feels it is on safe ground on that piece of land of Holiday Inns, the Government feels that it is all right there.

Why will the Government not investigate the three Board of Liquor Control stores and their rents and who owns them and why and how? Because the Government cannot feel secure on those three buildings. The Government has something to hide, that is the assumption you have to make. The Government is doing nothing to dispeal it and now the Government says, "How dare you obstruct the business of the House and ask questions about this and how silly to bring up Martin Goldfarb and the rest, Martin Goldfarb who can merchandize politicians like he can merchandize tomatoes." Imagine the Premier has come to that where he has somebody advising him now in politics who is going to

MR. CROSBIE:

merchandize the Premier like he was a crate of tomatoes. That was the report on the radio today.

Mr. Speaker, we would not care about Supplementary Supply if there were not all these other questions, if there were not issues of why it is so high and if last year in this House we had not argued with the Government and said, "Look, you do not have enough in the Budget," and the Government say, "Yes, we have we know what we are doing."

Mr. Crosbie.

and now come back this year proving that we were one hundred per cent right. That is why. We cannot stop that money from being spent. The Government have spent it. The Government never got our approval first, the members of this House. They went out and spent the \$42 million. Some of it they got in countervailing savings, a couple of million, maybe. But, at least, \$35 million or \$40 million was money that they had to spend extra and over what this House voted them last year. We are not supposed even to question it or ask why? We are shouted down and howled down. We are told that the general debate cannot be at this time or it cannot be that time. I was trying to speak on legislative - the Premier hops up. The Chairman does not agree with the Premier. He takes us out of committee, because he has the majority. Then he whines to the Speaker, and then we are back again. All that to prevent these issues being discussed but they are being discussed now anyway, because we are persistent. Our Government better start explaining about these Newfoundland Liquor Commission Leases. Give the people of St. Lawrence the names of the people who own that little fiddling building in St. Lawrence. Who owns it? That man who owns that building is never going to work in the mines at St. Lawrence. He is never going to be on relief. He is never going to be on welfare. He has got a bonanza. He has struck an oil well - a twenty year lease.

MR. NEARY: The hon. member will never be on welfare either.

MR. CROSBIE: I hope the hon. member..

MR. NEARY: He struck a bonanza, too.

MR. CROSBIE: The hon. minister hopes he will never be on welfare. You are one hundred per cent right.

MR. HICKMAN: But if we only had the profits.

MR. CROSBIE: If the hon. member only owned those three liquor stores, he would be well set up for life.

So, Mr. Speaker, I will let the hon. gentleman tell us about that. if he has anything to say about it.

MR. HICKMAN: Would you tell us about the one for

MR. NEARY

St. Lawrence at the same time?

MR. CROSBIE: Mr. Chairman, you can always depend on the hon. the Minister of Welfare to open his yap and admit the stupidest barks. Listen to him. We had several days last week in which you could discuss things rationally in this House. The little barker was not here, yapping away with his nonsensical remarks.

MR. EARLE: Has he made speeches at Buchans?

MR. CROSBIE: The hon. the Minister of Welfare should have a look at the hon. the Prime Minister Trudeau. I saw him on television last night with hair down to his shoulder blades, but he is not calling him "mutton chops." Oh! we should not discuss the Prime Minister.

MR. HICKMAN: Mutton chops, Mr. Chairman.

MR. ROWE (F.W.): Items under discussion, Mr. Chairman.

MR. HICKMAN: Mutton chops.

MR. CROSBIE: The hon. the Minister of Education is angry, because he is not included in the Goldfarb Poll. He slipped so far back in the Cabinet that he is not in the Goldfarb Poll.

MR. ROWE (F.W.): I am included in the Tory Poll.

MR. CROSBIE: Mr. Chairman...

MR. HICKMAN: Why are you not going to run in Grand Falls?

MR. CROSBIE: Those are my few remarks on this general subject.

MR. MURPHY: On this item, there is only one question that I have to ask. I am not going to have any debate on it. On my travellings through the Province, I feel that the people are very much aware of what this Government have done with their money.

Mr. Chairman, I would like to ask the Legislative \$30,000, does this include the raises that were promised the staff of this House on the last day, last half hour, the last ten minutes, last five minutes of the closing session, where everybody wanted to get out of here? I was discussing

Mr. Murphy

this matter where general raises were given to members and various other people and the staff of this House was mentioned. I was assured that there was no need to discuss it at that moment on the floor, but that would be looked after. I wonder if someone could ask that question for me as to whether these raises have been paid to the staff in this House of Assembly? Am I in order, Sir, to ask this question and receive an answer on this? It is very important, Sir, because I think everybody remembers the great debates last year on all this; whereas, I say, members got increases, so on and so forth, the staff. I referred to the staff at the table here in this House. I do not want to embarrass any of them. I will not ask them the question. I would just like to know if that were followed through, because I have a feeling it was not. I have just directed a question to the Chairman, with reference to this \$30,000, Legislative, monies that were sought in Supplementary Supply. I am asking the question, Mr. Chairman, if the staff in this House, who had been promised a raise, had received this in the past year? I am wondering if there is anybody available to answer me that question or not?

MR. CURTIS: I have to make inquiries..

MR. NEARY: Perhaps one of the staff could nod. The answer is no.

MR. MURPHY: Mr. Chairman, if I may. I remember this debate so clearly and it was the dying moments of the House of Assembly, when we adjourned in June, I think it was. We were discussing all this matter. We had a very heavy work load that year. It was morning, afternoon and night. We had to come back here to do this tremendous business. I suggested that those who had put in the time like the pages at the time and those people at the table should be considered. There was no worry. Everything was looked after. There was no need to discuss it then. We wanted to close the House. I would just like to know have the Government or not fulfilled its promise to these officials who, in my opinion, are as much entitled to their raise in this House as the members were and as anybody

Mr. Murphy.

MR. CURTIS: Mr. Chairman, as far as I can I do not think the Internal Economy Commission has met. But I can make inquiries. I can undertake to let the hon. member know.

MR. MURPHY: The reason I am bringing it up, Sir. I certainly hope that these gentlemen were not depending on their raises to pay off a mortgage on a house, because they were definitely promised it here in the House and the infernal economy or whatever the name is, the Internal Economy rather. There is \$30,000 extra voted and perhaps we could be told where this \$30,000 went. Is that a fair question to ask? As the hon. member has said, we passed an amount in the Legislature last year..

MR. CURTIS: You got some of it.

MR. MURPHY: Oh! no, not at all. All this is in the new estimates.

MR. CURTIS: No, in your estimates last year, you got more than your estimates gave you.

MR. MURPHY: They were changed, Sir.

MR. HICKMAN: The estimates were changed

MR. MURPHY: This is over and above the approved.

MR. CURTIS: Is that the truth? They should not have been added in the House.

MR. MURPHY: But \$30,000 would not have covered the raise for the members last year. I would like, Sir, to put before the House now that the promise was made that (I do not mind promises anyhow) these gentlemen - an agreement made that these gentlemen would be given consideration. I would like to see Government now tackle this problem and see that these gentlemen, who do a tremendous job here - they have to bear all the brunt of this. We can leave at certain time: These gentlemen have to stay a long time after the House is closed. To see that justice is done, that is all I would like to ask.

MR. MARSHALL: Mr. Chairman, on this item of \$30,000 for the Legislature. It is very hard to see how this could not be estimated at the time the estimates were brought in. Indeed, this particular item, I think, reflects as well as the entire amount itself, it reflects the inability of the Government to bring down a budget properly, to make the estimates properly and to carry on Government on a rational basis. This Supplementary Supply, as well as the Supplementary Supply Bill in previous years, shows the manner in which the Government have been carrying on its duties of governing the Province itself and its complete lack and absolute lack of fiscal planning. It has been said, and it has been referred to here today and it has been said time and time again in this session of the House, that the amount of Supplementary Supply, generally speaking, is an increasing and increasing very, very heavily, each year.

Under the Revenue and Audit Act, these particular grants are supposed to be made with respect to very serious situations, very pressing situations that arise and only in those particular cases should the grants be made. All I can say from this is that we have \$42 million worth of crisis this year, which is a good indication of the way the Government are operating. Indeed, Mr. Chairman, it is quite obvious, very, very obvious that the estimates and the Budget Speech tomorrow, if the Budget Speech tomorrow is anything or it brings the same results as it did last year, the Budget Speech will not mean a thing, because it will not give any indication of where the Government stand or where the Government will stand after the next year. I do not know whether it is an instance really of the Government's incapability of properly budgeting out the year, its requirements for the year, or whether it is a case that they estimate the minimum that they will require, and they agree amongst themselves that they will spend as much as they can borrow in the meantime.

But, in any event, this is indeed a disgrace that we should be asked for \$42 million in Supplementary Supply. It shows the complete and

Mr. Marshall

absolute inability of this Government to cope with the situation in the country.

MR. EARLE: Mr. Chairman, just a few remarks, in general, on this Supplementary Supply Bill. It was stated by the hon. the Premier

that this did not disclose the full requirements or indicate the full requirements of the Government last year because this was money that was not provided but that there would be other savings which might be, we presume, applied against this. Now the procedure of the Government has always been in the past and I presume it was the same last year. That at a certain period of the year all departments have unexpended balances in different votes and they are getting short in other votes, which means that heads are opened up, in other words money can be taken, was spent in one way on another matter, so that if there is money available it can be spent before the end of the year. Which means that theoretically there should not be very much money left at the end of the year.

Now, the simple matter of bookkeeping in such large sums of money as this Government has to deal with in a budget of over \$300 million, simple bookkeeping means that there are bound to be items and so on which are not completely expended at the end of the year and there are always therefore drop balances. But in previous years these drop balances have amounted to perhaps a million or a million and a-half dollars, which are carried over the end of the year and this of course offset the amount that was required on supplementary supply, so it is reasonable to think that this year, like other years, we can expect there to be drop balances which may reduce this forty-two or forty-three million dollars which is required.

There was a hint from the other side of the House, a short time ago, when one of the members here was speaking, that when the budget is revealed tomorrow there may be quite considerable drop balances. There may be a lot more. Well, this is understandable also, and I think the explanation might be quite clear because last year the Government, in its wild enthusiasm, predicted programmes of expenditure in which they were asking the help of Ottawa to cover a great percentage of these

expenditures. Now if some of these things which we were told were going to happen last year never did happen, although they were predicted to be taking place in the last year they did not actually take place. So, possibly, quite possibly, the Government of Canada's contribution was not spent and similarly the Government of Newfoundland's contribution may not have been spent, so there may well have been some drop balances in connection with certain votes, and I could think -

MR.SMALLWOOD: (inaudible)

MR.EARLE: I am not in the Government at the present time so I am not disclosing budget secrets, but I think I have enough knowledge of the way budgets are developed to know how this could be explained and probably tomorrow this will be the explanation.

But, this still does not in any way forgive (if you like to use that word) it does not forgive the over-expenditure on these particular votes, under these headings. Because, as various members who spoke before, I did indicate that at the time last year when we passed the estimates and budgets these expenditures could have been predicted. The hon. member for St. John's West mentioned the Expo Buildings where there was a total vote of \$100 and \$2 million was actually spent. Every cent of that two million dollars could have been predicted at the time the estimates were brought down last year. There were many, many other items in our estimates, when they were brought down, that could have been predicted as heavier expenditure than the amount actually provided. Now we see the final result. A request of

AN.HON.MEMBER: (inaudible)

MR.EARLE: I have already said that Mr. Chairman, I have already said that some might be less and it is quite obvious that some were less, but I do not think that the amount less than this predicted to be spent will be so outstanding or so astounding that it will wipe out this forty-two or forty-three million dollars. In fact I am quite willing

to bet that it will not go anyway near it. There may be a few million dollars which were saved last year but certainly not forty-two or forty-three million dollars.

The demand of a Government Warrant, the Governor's Warrant means, in essence, that a state of dire emergency must exist for this money to be requested. It is only under absolute need for the public good that a special warrant should be requested. I think we can look at all of these items going down, as we should question when we get into committee. Each item here, what was the pressing public need that this money had to be borrowed at that particular time? The \$30,000, which is the first item, which we are now discussing, could have been predicted although it was in the closing moments of the House that these raises were voted for the staff of this House. This could have been predicted and was predicted it was actually said in this House, so that \$30,000 should have been in the estimates. It could have been included as a last closing gasp but it was not. But some other amounts in these estimates here are far more serious. The biggest of all of them is an amount of \$28 million.

Now that \$28 million is the financing - the increases were \$28 million and that \$28 million

MR. SMALLWOOD: ~~the~~ salaries of the House -

MR. EARLE: No, the - I am not talking about that at the moment the whole vote which is under discussion. The \$28 million of course is mainly for the construction of the refinery at Come by Chance. This in itself does not make sense. I mentioned the other day, in speaking on the same matter, that the pantomime which we saw when that great deed was signed, was, that \$5 million was passed back to the Government which automatically would have said that the amount required was not \$30 million but \$25 million, because \$5 million was passed back. But now we see that \$27 or 28 million was actually borrowed. What we want

to know is how much of that was actually spent. It must have been spent because it was a matter of dire emergency and dire need that that money was borrowed. Why was it, that such pressing urgency? Why did that money have to be borrowed? After all we were told when these contracts were discussed here that this was a back-to-back arrangement, that the people who are financing the other section of this would themselves pay out in proportion the money for which they were committed to what this House would pay out. Well our share was roughly one-fifth so if we had to find twenty-eight or twenty-seven million dollars the others had to find five times that.

Now, all we hear of at this stage is that 3000 tons of materials have been landed in this port for this big construction job. Have the other people who are backing this put \$125 million into it? I bet you they have not put not even the \$25 million which this Government has borrowed to put into it. I do not believe that the promoters of this scheme or the people that are backing it up to this date have put in as much as the Newfoundland Government have put into it, I am quite sure that that is the case. All we are seeing is 3000 tons of material coming in for this particular project.

So, all of these expenditures which we see under this \$43 million in this vote, I contend, Mr. Chairman, that eighty or ninety per cent of these could be predicted at the time we brought down the estimates last year. I predict furthermore that in the coming year, with an election coming up, after we see the budget tomorrow there will be in demand this time next year a tremendously larger supplementary supply requirement, because if we overspent \$103 million last year in this year of an election it will probably go to \$200 million. But in all honesty to our people, when we are bringing down the budget, if this type of money and this kind of money and this size of an amount is going to be spent, surely a Government who is honourable and honest

and straightforward and knowing that it is going to spend that money will put it in its estimates and put it in its budget and will not be looking to this House this time next year or of course they will not be here anyhow, but we will not have to look for them, for \$43 million or possibly sixty, seventy or eighty million dollars. So, this Government it laughs - the members on the other side laugh over a few remarks that I just made, somebody apparently was listening. They catch these things, occasionally. I said, just to repeat, the press might be listening, "that they will not be there to look after the Supplementary Supply next year." They will not be there, that is just too bad, I am not worried - the people in the House can hear - that they will not be here to vote this supplementary supply next year. But it is unfortunate that we will put them in the position or putt another Government in the terrible predicament of having to find these huge sums of money which they will spend and will commit, the Government for (and that you can guarantee) in this the election year.

Now, Mr. Speaker, on this supplementary supply Bill which I spoke

MR. EARLE: at the moment, except when we come to the end of individual items, I can only repeat that all of these items within eighty or ninety percent could have been predicted and should have been put in last year's estimates. There was no pressing urgency that these huge sums of money should have been borrowed under Governor's Warrants.

MR. HICKMAN: Mr. Speaker, if I may have a few words on the general discussion under Legislative that Your Honour the Chairman has ruled that we may discuss.

I do not think this Committee can look at Supplementary Supply in splendid isolation and simply say we have \$30 thousand under Legislative. That is not very much money, or \$42 million that we spent this year, during the last fiscal year, \$42 million ^{more} than this House voted, is not going to put this Province into a state of financial difficulties, without taking a look at the, not only the overall financial position of the Province as it relates to this Supplementary Supply Bill, but also, Mr. Chairman, to bear in mind what inevitably must flow from the excessive spending and the excessive borrowing.

I heard the statement in this House not too long ago, that anyone who questioned the financial position of this Province, that anyone who was not prepared to sit in the House and allow the Province to continue on this course of imprudent spending and drunken borrowing is guilty of savage injustice to the people of Newfoundland. Now Mr. Chairman, in my opinion savage injustice, the hon. the Premier, and I wrote it down, it was savage injustice on the part of anyone on this side to cast reflection on the financial position of this Province. But there is another savage injustice, Mr. Chairman, a far more savage one, and that is when people realize that because of the uncontrolled borrowing that we have had during the last two or three years, and when this Province is now faced this year and next year with borrowing \$40 million this year, and \$100 million next year, just to roll over existing short-term notes, this is where we are

going to see savage injustice, in the cutting back on the public services of this Province, because Mr. Chairman, a lot of the borrowing that has gone on in this Province has gone on for the ordinary operating and maintaining of public services. If we find ourselves in a position where this year we have to take \$40 million to service our debt, obviously \$40 million worth of public services will either not be provided or alternatively will have to be cut back.

MR. EARLE: \$65 million this year.

MR. HICKMAN: The hon. the member for Fortune Bay says \$65 million.

Mr. Chairman, there is a very good publication that was put out recently by the Regional Development or APEC on regional development and public financing in the Atlantic Provinces, and it covers the period from 1962 I think it is to 1969. In fact, it does not get into the period of excessive borrowing that we have had during the past two years. It points up what I have just been saying, that we are borrowing money for public services, for the maintaining of public services. At the beginning of the period the Atlantic Provinces as a whole relied to a lesser extent on borrowing than did all Provinces. By 1966-67, the situation had reversed.

However, in 1967-68 the Atlantic Provinces, as a whole, relied to a slightly lesser extent on borrowing than did all Provinces. Newfoundland since 1962 and '63, and Prince Edward Island in every fiscal year but one, financed a larger portion of the cost of services provided through borrowing than did all Provinces. Nova Scotia throughout the period and New Brunswick with the exception of one year relied to a lesser extent on borrowing than did all Provinces.

Now Mr. Chairman, you may say this is fine to borrow to maintain public services. I say it is fine to borrow on capital accounts to build new public services, but with the prudent management of our financial resources and our taxes, then surely this is the source of revenue we have to look to in order to maintain the services. If we find, as we will

find this year and next year, that a large share of our borrowing has to go in refunding existing debts then obviously the public services must suffer.

I have also heard an argument in this House that we have made great gains as a result of our public borrowing, that there has been tremendous strides in closing the gap. Now Mr. Chairman, that is not so.

Do you want me to move the adjournment? I will move the adjournment.

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

On motion report received and adopted. Committee ordered sit again on tomorrow:

On motion the House at its rising adjourned until tomorrow
Wednesday, April 28, 1970 at 3:00 P.M.