



PROVINCE OF NEWFOUNDLAND

**THIRTY-SIXTH GENERAL ASSEMBLY
OF
NEWFOUNDLAND**

Volume 3

3rd. Session

Number 53

VERBATIM REPORT

THURSDAY, APRIL 25, 1974

SPEAKER: THE HONOURABLE JAMES M. RUSSELL

The House met at 3:00 P.M.

Mr. Speaker in the Chair.

MR. SPFAKPR: Order, please!

It is a pleasure for me to welcome to the galleries today from the Boys' Training Home in Whitbourne, nine boys from Grades VI to IX, with their teachers Mr. Nichol and Mr. Legge. I sincerely welcome you here on behalf of each and every one of the members.

MINISTERIAL STATEMENTS

HON. J. C. CROSBIE (MINISTER OF FINANCE): Mr. Chairman, I think something has been said about this before but just to make sure it is clear: Due to the postal strike emergency arrangements have been made to distribute the social assistance pensions and salary cheques throughout the province.

The social assistance cheques, I think the minister said yesterday will be at 9:00 A.M. on Tuesday, April 30, at the welfare offices, St. John's, Mount Pearl, Harvey Road, Grand Falls, Gander, Lewisporte, Botwood, Stephenville, Corner Brook, Labrador City and Happy Valley. Recipients have to show proper identification in order to pick up their cheques, if not able to pick them up in person, they can authorize in writing another person to do so, but that person must show identification. Social assistance cheques for all other locations will have to go by regular mail service.

Provincial government pension cheques can be picked up at 9:00 A.M. Monday, April 29, at St. John's and Mount Pearl, at the Central Cashier's Office here in Confederation Building, at Grand Falls through the mail and messenger service in the Government Building, in Clarenville at the Retail Sales Tax Office, Gander at the Welfare Office, Lewisporte at the Welfare Office, Botwood at the Welfare Office, Deer Lake at the Welfare Office, Stephenville at the Welfare Office, Corner Brook at the Sir Richard Squires Building, Labrador City at the Retail Sales Tax Office and the Government Building, Happy Valley at the Welfare Office.

Pensioners have to show proper identification to pick up their cheques, if they cannot pick them up in person, they can authorize another person in writing but he must identify himself. Pension cheques for all

other locations will go out by regular mail service. If the strike of postal employees is ended before tomorrow, it is unlikely I guess, the cheques will be delivered by regular mail service.

MP. SPFAKFR: The Hon. Minister of Forestry and Agriculture.

HON. E. MAYNARD (MINISTER OF FORESTRY AND AGRICULTURE): Mr. Speaker, during the past few weeks and especially the last couple of days there has been considerable comment in the media regarding the availability of crown land for summer cottage development. I would like to try and clarify the present situation.

Over the past few years summer cottage development has taken place throughout the province without the benefit of proper planning, development and management. Traditionally, applications for crown land have been considered on an individual basis without giving much thought to the optimum use of land available, the maximum number of cottages that a pond or area can sustain, while still maintaining an acceptable level of environmental quality, without reserving adequate space for public use, conflicts with other uses or whether or not the area was physically suitable for cottage development.

Uncontrolled development of that type cannot go on for ever and already the results of such action are being seen in several areas of the province. A recent publication on Shoreline Recreation makes the statement, "We never know what we have until through our own ignorance it is lost". We in Newfoundland could very possibly approach just such a situation if we continued to abuse our shorelands.

Deer Park, Salmonier, is a popular summer cabin area for residents of St. John's. Most of the ponds in that area that are accessible by road have already been developed beyond their capacity.

Cottages have been constructed along the Salmonier Line to the point where direct access to the highway has become a hazard to traffic. As a result, Development Control, Provincial Planning and Highways, have recommended that no further applications be approved that would require direct access to the Salmonier Line.

As a result of these recommendations, the Crown Lands Committee has been forced to study very carefully each application for summer cottage development on the Salmonier Line. For the Committee to do otherwise would be an irresponsible act.

Bonne Bay, Big Pond is a popular area for residents on the West Coast. To date the cottage development on Bonne Bay, Big Pond, has been concentrated primarily to two relatively small areas of the pond. However, because of the high density of cottages in these areas, pollution is already a problem in the water immediately adjacent to these developments. Just how serious this is we will try to determine by means of an environmental impact study.

Many of the ponds, in the immediate vicinity of St. John's have been ringed with summer cottages to the point where public access to the waters is virtually non-existent. In addition, I suggest that the waters of some of these ponds may already be contaminated with sewage and garbage.

The adverse affects on the environment resulting from uncontrolled summer cottage development are well documented in many parts of Canada and the United States. The people of Newfoundland have long held the opinion that there is an unlimited supply of land suitable for summer cottage development throughout the province but suddenly, the residents of St. John's and the surrounding areas are finding it increasingly difficult to find a suitable cottage lot within a reasonable driving distance. The problem has resulted not so much from lack of land but rather from an inefficient use of the land over the past number of years.

For example, it has been recognized that ribbon development, whether it be for summer cottages or residents, provides the most inefficient use of the land. Yet this is the only type of cottage development found in this province.

As a result of the foregoing the Crown Lands Division is now taking a close look at those areas around the province where there is a high demand for summer cottage development. With the use of skilled technicians, aerial photography, photo interpretation techniques and available information,

suitable areas for cottage development are now being identified. Once identified, a detailed plan is being prepared showing road and lot locations. These plans will take into account the maximum number of cottages that the area can sustain, the optimum use of the land suitable for development, the need to maintain the aesthetic qualities of the area, the need to provide public access for camping, picnicking, boating, etc., plus a host of other considerations.

The ideal situation would be to place a moratorium on all summer cottage development within the province and accept applications only for those areas for which detailed plans have been prepared. Unfortunately, that is impractical (1) because of the limited staff that is available at this time, and (2) because of the high demand for cottage leases that we are now encountering. However, in those areas where detailed plans are being prepared or will be prepared in the immediate future, applications are being accepted but withheld pending the completion and approval of a detailed plan. The plans are being prepared as speedily as possible.

Deer Park and Bonne Bay Big Pond are two such areas. No new applications have been approved in these areas for approximately the past six months. Some applications have been refused in these areas only because it was obvious that the site was unsuitable. Some applications are refused in all areas. However, it must be remembered that once an application has been approved for survey, the applicant has one year in which to have the survey completed and three years in which to construct a cottage once a lease has been issued. Therefore, while no applications have been approved in the past six months in the Deer Park area, it is still possible for cottages to be built up over the next two to three years on lots that were leased prior to six months ago. This may result in some people getting the idea that their application is being held while others are being approved. This is not the case.

All applications received for areas which have been designated as overdeveloped will be held until proper plans have been completed. In the meantime, applications for areas which are not considered to be overdeveloped or for which detailed plans are not immediately proposed will continue to be processed in the usual manner.

There have been comments made that land is being held for certain specific persons or that one person may be refused a permit while a later applicant is approved. I contend that these comments are without foundation. If any persons feel that such a situation occurs, I request that they make their charges to me in writing giving all the particulars. If any charge of this nature be made, a thorough investigation will be made and if proven appropriate action will be taken to see that it does not happen again and as well that the present situation is corrected.

The procedures for dealing with crown lands applications are being revised. Unfortunately, this is the first attempt at streamlining the procedures in the past thirty to forty years. I am confident that by the end of 1974 most of the problems now encountered in acquiring crown lands will be eliminated. I will be making further statements in this regard throughout the coming weeks.

MR. S.A. NEARY: Mr. Speaker, in the absence of my colleague, the Member for Bonavista North, who is the shadow member of the opposition cabinet, shadowing the Minister of Agriculture and Forestry, Sir,

I would like to say a few words, make a few comments on the minister's statement, Sir.

First of all, Mr. Speaker, I think probably the minister is correct when he says that there is need to plan the development of the areas around some of the lakes and ponds, especially the ones near St. John's, Sir. I agree that there is an necessity for a control in some of these areas. In some respects, Mr. Speaker, I was disappointed with the minister's statement because the minister did not outline any recourse of appeal for any applicant who may feel that he has a grievance against the minister's department. The minister said that one has to appeal to the minister, and more or less challenge individuals who felt disgruntled or felt that they were unjustifiably dealt with, they had to appeal to the good graces of the minister. In my opinion, Sir, that is not good enough.

I was rather disappointed that the minister did not outline in his ministerial statement a procedure whereby people whose applications were rejected or deferred for some reason or another would have recourse to appeal. Because, Mr. Speaker, there is a gentleman sitting in the galleries today, Sir, who does have a grievance against the minister's department. He made five applications for a piece of land to build a summer cottage on in the Deer Park. In each instance, the application was turned down and approval was given to another applicant, which shows that there was favoritism, Sir, in the minister's department.

I hope that this person who is listening to me will make his grievance known to the minister and that the minister will thoroughly investigate the case and see that justice is done in this particular instance. This battle has been going on with the minister's department not only since the minister took over but -

HON. W.W. MARSHALL (MINISTER WITHOUT PORTFOLIO): On a point of order, Mr. Speaker. The purpose of ministers statements and allowing comments on them is for a person to ask questions and make remarks or explanations but not to enter into debate, neither necessarily to play to the grandstand, be it one person in the House or all of the people in the

House. The honourable member is entering into particular observations about a particular case, debating the whole policy of the department.

While Your Honour has given latitude in times past with respect to commenting on ministers' statements, it surely does not extend to the use which the honourable member for Bell Island is putting it.

MR. SPEAKER: I think that the point made by the honourable government House Leader is well taken. The honourable member for Bell Island was straying somewhat from the content, I think, of the statement made by the minister. Perhaps he could be more relevant to that particular statement.

MR. NEARY: I think I have made my point, Sir. It is becoming more obvious in this House every day, Sir, that that particular minister who just raised a point of order does not want anything brought out on the floor of this House.

MR. SPEAKER: Order, please!

MR. NEARY: He wants to try to silence the opposition, Sir.

MR. SPEAKER: Order, please!

MR. NEARY: This is the only way we can get information out, Mr. Speaker.

Sir, I do hope that the minister's statement is just not a move on the part of the minister or his department to establish more bureaucratic red tape, Sir. I hope that applications will be processed without undue delay and that the officials that the minister will delegate this authority to will be Newfoundlanders and not foreigners who have to be shown how to get down to the Deer Park.

MR. SPEAKER: Order, please! Order, please!

The honourable member for Bell Island is certainly out of order now in his comments with regards to the statement made by the minister. I am sure he is well aware of that.

MR. NEARY: Mr. Speaker, I do not know what other way I could put it because the minister said he was going to set up a procedure -

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: What about "Mr. Bean-Brain"? Is he an Newfoundlander? "Bird-Brain" or whatever you call him!

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: He is a Newfoundlander. Oh, I am glad to hear it. He is not from Ming's Bight, I am sure of that.

HON. J.C. CROSBIE (MINISTER OF FINANCE): Inaudible.

MR. NEARY: Is that so? Mr. Speaker, I hope this is not a move on the part of the minister to set up a bureaucracy down in his department to make it virtually impossible for people to get applications approved.

Nevertheless, Sir, in conclusion I would have to admit that

I -

MR. CROSBIE: Mr. Speaker, I rise on a point of outrage, not a point of order, a point of outrage. This outrageous -

MR. NEARY: Mr. Speaker, there is no such thing as a point of outrage in this honourable House.

MR. CROSBIE: Well, a point of order then.

MR. NEARY: Go back to Grand Falls and carry on the talk show.

MR. SPEAKER: Order, please! Order, please!

MR. NEARY: Sit down!

MR. SPEAKER: Order, please!

MR. NEARY: Sit down, I have the floor. Sit down!

MR. SPEAKER: Order, please!

MR. SPEAKER: Both honourable gentlemen I think should take their seats. This is developing into a debate. As it is a ministerial statement, I suggest that we should get on with the petitions.

NOTICE OF MOTION:

HON. L.D. BARRY (MINISTER OF MINES AND ENERGY): Mr. Speaker, I give notice that on tomorrow I will ask leave to introduce a bill, "An Act To Vest Certain Minerals In Her Majesty." (Gap in master tape) so that we do not have the mining fraternity all upset or excited.

This is to clear up some problems that exist in the province because of legal technicalities arising from squatters rights or some difficulty with title to minerals under areas that have been occupied adversely by individuals for a period of time. It is to clear up that matter.

MR. CROSBIE: Mr. Speaker, I give notice that I will on tomorrow ask leave of the House to introduce a bill, "An Act To Confirm The Setting Up And Closing Out Of The Children's Trust Account And Matters Relating To The Operation Of The Account," and a bill, "An Act To Amend The Public Service (Collective Bargaining) Act, 1973."

HON. T.A. HICKMAN (MINISTER OF JUSTICE): Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce a bill, "An Act To Amend The Quieting Of Titles Act."

AN HONOURABLE MEMBER: Inaudible.

MR. HICKMAN: That is right.

Questions for which notice has been given:

Oral Questions:

MR. NEARY: Mr. Speaker, I would like to direct a very serious question to the Minister of Justice. Would the minister inform the House if to his knowledge the Newfoundland

Telephone Company made application to the Public Utilities Commission before they announced an increase in rates in connection with calling for information on telephone numbers.

MR. HICKMAN: I do not know, Mr. Speaker, but I will certainly undertake to find out. I would assume they did but I will find out anyway.

MR. ROBERTS: A supplementary question, Mr. Speaker: Could the minister also ascertain whether in fact they are required to? I believe they are. They have announced an extra quarter, information charge or something. I do not think they have any right to do it without going to the board.

MR. HICKMAN: (Inaudible).

MR. NEARY: Mr. Speaker, I would like to direct another question to my old kissing cousin down here, the Minister of Transportation and Communications. Would the minister inform the House if his department has had any representation from the Community of Markland to have the road graded down there. Apparently the road is in a terrible state of disrepair; to have it graded and reconstructed, upgraded?

MON. T. V. HICKEY (Minister of Transportation and Communications): Mr. Speaker, the particular area that the honourable gentleman refers to does not come to mind. Let me just say that we have had representation from almost every area of the province with regard to road conditions. It is sufficient for me to say that the conditions of the road at the present time are due to the unusual winter we have had. There is not a thing that my department can do if it had twice the equipment. It is just a very a very unusual situation where there was a lot of frost and a lot of moisture during the past number of months. Our roads took a great beating and we are finding the results right now.

Mr. Speaker, the only thing I can say further is that my staff are doing everything they can to correct the situation by grading and by doing whatever is necessary. I am afraid that the travelling public will just have to bear with us. I realize it is a matter beyond our control. We can only do what we can.

MR. NEARY: Mr. Speaker, the honourable minister should consult with his colleague there in the seat beside him. Markland is in his colleague's district.

Sir, I wonder if the Minister of Justice could inform the House what steps the government have taken to see if it is possible to roll back gasoline and heating oil prices in this province as the Province of Nova Scotia has done?

HON. T. A. HICKMAN (Minister of Justice): Mr. Speaker, -

MR. NEARY: He is thunderstruck.

MR. HICKMAN: No, no.

That question was answered by the Hon. Minister of Mines and Energy a couple of weeks ago. It is under consideration. I may be misinterpreting what the honourable minister said but I believe he did say that he was acquiring information from Nova Scotia to see the effectiveness of their procedures. Perhaps the honourable gentleman can answer that question.

HON. L. BARRY (Minister of Mines and Energy): Mr. Speaker, we made a decision and we announced at that time (I think it was in December) that we felt as a matter of policy the need to bring in regulations on petroleum prices because of the problems that were then occurring in Newfoundland and other places in Canada and the world. At that time I requested officials to investigate the situation in Nova Scotia, the legislation that they have had in force for several years and also new legislation which Nova Scotia is just implementing at the present time.

There has been some delay caused by the fact that the officials who were involved in the investigation have also been involved in the enormous amount of work to be done in connection with the CFLCo take over, and this has delayed matters somewhat. It is our intention to still proceed with determining whether there will be any advantage to the province. It is not obvious - just to say that one is going to regulate

prices does not mean that there will automatically be an advantage to the consumer in the province. We have to determine whether there will be an advantage to the consumer in the province or whether we will just be setting up another bureaucracy involved in the collection and distribution of data which would mean cost to the taxpayer. If there is going to be this cost, we want to make certain that there is going to be an advantage to the consumer resulting from the cost. That is why, Mr. Speaker, we are looking at this very carefully and we are going to take our time and we are not going to be rushed into making a decision on this until we know that it is going to be in the best interests of the Newfoundland consumer, regardless of what the Hon. Member for Bell Island might say or do.

MR. NEARY: A supplementary question: Could the minister then give us some sort of a time limit? In what time period will this be done? Will it be six months, a year or will it be after the next election? When will it be done? They are at it now six months.

MR. BARRY: Mr. Speaker, I do not know whether the honourable gentleman has problems hearing or if it is just his problem of understanding. It may never be done unless it is determined that it would be in the best interests of the Newfoundland consumer to do it. It may never be done.

Mr. Speaker, I would anticipate in the normal course of events that a decision would be made within a matter of a couple of months as to whether or not there will be any advantage to the Newfoundland people if we take this course of action.

MR. NEARY: This crowd are always so vague and general in their answers, Sir. I was just merely trying to pin the minister down to a time period.

Sir, I wonder if the Minister of Provincial Affairs - if his department has taken any steps to set up provincial inspectors to go around the province checking on the price of food similar to the inspectors that they appointed recently in the Province of Ontario?

HON. G. DAWE (Minister of Provincial Affairs): No.

MR. NEARY: That is all I have, Sir.

MR. SIMMONS: Mr. Speaker, I would like to direct a question to the Minister of Health. Would the minister indicate to the House whether he has received any complaints with reference to the irregularity of the visits of the doctor to Francois. For clarification I should point out that a schedule was set up last fall whereby the doctor from Burgeo would visit Francois and then two weeks later the doctor from Harbour Breton, and so alternate throughout the winter. Now I am aware, as is the minister I am sure, that the doctor in Harbour Breton is presently on vacation but that before leaving he made an arrangement, approved by the Health Department, for the doctor at Burgeo to visit every two weeks in his absence. This has not been done. Indeed it has been pretty irregular all winter. Taking into account weather, emergencies and so on, it still has been pretty irregular. I wonder if the minister has received any complaints on this account?

HON. DR. ROWE (Minister of Health): I got them recently on the occasion of irregular visits of that nature. I can only say that the schedule is still in existence for each of the doctors to go at the specific times. The only complication has been the winter weather, when it is difficult for planes to get in. We have no idea of cancelling the schedule. The schedule is to continue according to and subject to weather. There is no other reason.

MR. SIMMONS: A supplementary question: The schedule has been pretty irregular and for reasons other than weather, I can document that for the minister.

More importantly, I wonder if the minister would undertake to investigate the matter for me, for the people of Francois?

DR. ROWE : I certainly will be happy to provide the member with the schedule of dates as to when the doctors have been there and when we expect them to go there again.

MR. SIMMONS: I have the schedule, Mr. Speaker. That is not the problem.

What I am wonder is if the minister would undertake to investigate the matter, to see if the irregularity of the visit is justified on account of weather and emergencies that the doctor may be experiencing in his own bailiwick in Burgeo. I am sure he does have these. Outside of that, the people of Francois and I are maintaining that the schedule has been unduly irregular and I wonder if the minister would investigate it with a view to getting it a little more regular.

DR. ROWE: I will obtain a report from the appropriate officials, Mr. Speaker, and see that the honourable member is so informed.

MR. GILLET: I am wondering if the Minister of Tourism has the answer for my question of yesterday.

HON. T. DOYLE (Minister of Tourism): No, Mr. Speaker, I have not. It is being typed and I will have it later on this afternoon.

MR. WOODWARD: Mr. Speaker, I would like to direct a question to the Minister of Tourism and this may carry over into the Minister of Forestry and Agriculture. Have the number of applications made in Labrador for the development of tourist lodges - I have been informed by the Crown Lands Division that they are not granting land for this development because of the Wildlife Division of the Department of Tourism who are developing a policy on how this particular part of Tourism should be set up. I was wondering if the

minister could inform the House if his department has a policy developed and when will those people be granted land by the Crown Lands Division for fishing lodges and tourist lodges?

MR. DOYLE: Mr. Speaker, I can partially answer that question. The reason why the policy has not been announced as yet is that we were awaiting the Report of the Royal Commission on Labrador which we felt would be getting involved in everything. That, as the honourable gentleman knows, has been received and is being précised and I would expect within a week or so that as a result of recommendations in it, plus some of the pleadings of our own department, we will be in a position to make a definite policy which will free up or otherwise. At least people will know one way or the other what the policy will be in future. So I would think therefore that by the middle of May the answer should be known to the question. But the reason it is being held up is simply that we did not want to make one policy today and find that good recommendations that may come out of the Royal Commission on Labrador would make us change again tomorrow sort of a thing. That is the only reason it is being held up.

MR. WOODWARD: Supplementary, Mr. Speaker, I would like to bring to the attention of the minister that there are a number of people who would like to order materials to get the construction going this year and I think it is an urgent matter. The timing is very important so I think maybe May would be a little bit too late. I was wondering if the minister would see fit to get it through as soon as he possibly can, maybe in the next couple of weeks.

MR. DOYLE: Yes, I certainly will, Mr. Speaker, bearing in mind that May is only next week. The point is well taken.

MR. NEARY: I wonder if the Minister of Health, Sir, could tell us if the minister has requested hospital boards, other than the board at the Waterford Hospital, to pay their employess for the two days that they lost during the recent snowstorm when a state of emergency was declared by the Mayor here in the City.

MR. MOORES: To answer that question, the honourable gentleman from Bell Island knows the workers at Waterford Hospital have returned to work. The undertaking by the hospitals in the city as we understand it and they have told us is that exactly the same conditions that applied to the government hospitals will be applied to the independently operated hospitals in the city and elsewhere.

MR. SPEAKER: The honourable member for Hermitage.

MR. SIMMONS: Question for the Minister of Finance in reference to the statement he made earlier in the sitting this afternoon, Would he clarify the matter of the social assistance cheques which are going to be distributed as he said through the regular mail, Do I understand that the department will make arrangements to deliver to the post offices in the areas concerned or will deposit them at the St. John's Post Office?

MR. CROSBIE: Social assistance cheques are going to be placed in the welfare offices in the places that I mentioned, and that the cheques for other locations will be delivered by the regular mail service.

MR. SIMMONS: If it be deposited in St. John's, it means that it gets caught up in the strike, If it be deposited in for example St. Alban's, it gets delivered. I wonder would the minister, if he should not have the answer now, would he undertake to determine whether the cheques that are to be distributed through the regular mails are to be deposited in the post offices in the local areas concerned, is that the case?

MR. CROSBIE: That is the case, yes.

MR. NEARY: Mr. Speaker, now that we have got the social assistance recipients straightened out, I wonder if we can get the other people straightened out who want to collect their money from the government, Would the minister tell us if any alternative arrangement has been made for those people, like contractors and business people who supply government institutions and so forth, Has there been an alternative worked out whereby they can get their cheques, get payment

for services rendered while the emergency is on during the hospital dispute? Can they for instance come to Confederation Building and pick up their cheques? What arrangements has the minister made?

MR. CROSBIE: Mr. Speaker, I have not made any particular arrangements. I assume that any contractor or any person like that who is owed money will call the department involved and arrange to have the cheque picked up. We are not concerned with the business community in this regard. We know that they can very well have their cheques picked up. We are concerned about social assistance recipients and old age pensioners. The honourable gentleman may be very concerned about the business community and that may be very sensitive to him but our concern is with the social assistance recipients and pensioners and people who really need the cheques.

MR. NEARY: Mr. Speaker, I am not concerned about the rent for the Viking Building or Newfoundland Engineering progress payments, what I am interested in, Sir, is the small businessman who is only carrying his stock from month to month and in a lot of cases they are supplying hospitals in the rural areas and so forth. The small businessman I am concerned about. Would the minister indicate if these people can come in and pick up their cheques or will they be put in the mail? If they are put in the mail they will just be there in the mail maybe for weeks before they are delivered.

MR. CROSBIE: Mr. Speaker, you know the government is in no better position than any other business that is operating today under the disabilities imposed by the postal strike. Unfortunately I have not heard the honourable gentleman opposite asking many questions about the postal strike or urging the federal government to see that it is settled or saying anything in connection with that strike. Anyone who has a cheque that they are owed or so on can make arrangements to have it picked up here. We can only look after the people that I have already mentioned and I would therefore urge the member for Bell Island who seems to have tremendous

influence with Ottawa to get on to the Prime Minister and the Minister of Manpower and the President of the Treasury Board, Mr. Drury, and urge them to settle up this postal strike.

MR. MARSHALL: Before we get on to Orders of the Day I might just make this motion now so that we will not have to bring the committee back, I move the House when it rises today, which will be at eleven o'clock this evening, stand adjourned until 10:00 A.M. tomorrow morning.

MR. SPEAKER: It is moved and seconded that the House when it adjourns will adjourn until 10:00 A.M. tomorrow morning, carried.

MR. ROBERTS: Before we move into committee I wonder if the House Leader would consider, and assuming we could get agreement on all sides, giving Bill no. 29 a second reading. Now that is the bill that would provide, it stands in the name of my colleague from Twillingate, would provide that an employer would have to pay an employee during the period of that emergency in March. Now it is no longer applicable to the hospitals because apparently the hospital boards have seen the light but there may still be a few employers who do not propose to pay their employees for that day.

If it were agreeable, could we give it second reading and move it a stage ahead?

MR. MARSHALL: Mr. Speaker, that is a bill of course that is an amendment to the bill that was passed in preceding sessions when we had a similar situation before and is one that I think because of the original offer of it, would commend itself to favourable reception by the government.

However, the fact of the matter is that you know this being so, we say that we are going to do the same thing as we urged, in opposition, the government to do in the previous administration, which they did and we are going to do it. So consequently it is somewhat the same as I believe The Tax Bill that the honourable Leader of the Opposition was speaking about. We have an intention to do it. We can tell employers that we are going to do it and we will

bring it on as early as possible, but employers should really govern themselves accordingly.

MR. ROBERTS: Inaudible.

MR. MARSHALL: I do not know actually whether it is up from the printers,

MR. ROBERTS: It is.

MR. MARSHALL: It is up from the printers. Well we will bring it on as soon as possible. In the meantime I think it should be known that the government is as consistent in government as it was in opposition.

ORDERS OF THE DAY:

On motion that the House go into Committee of the Whole on Supply, Mr. Speaker left the Chair.

MR. CHAIRMAN (MR. STAGG): Order please! Gentlemen for the information of the committee, we have consumed to date sixteen hours and eighteen minutes of the seventy-five hours.

MR. NEARY: Your Honour, are you in a position to give us a ruling now on whether the clock stops during quorum calls or is the time added on to the - is that included in the amount of time that Your Honour just gave?

MR. CHAIRMAN: That is a hypothetical question. My answer is directed to the honourable Member for Bell Island. That is a hypothetical question. The matter has not arisen in committee to date.

MR. CROSBIE: Are we on item 406-01? Is that correct? Do the honourable gentlemen want to pass it or do they want to discuss it?

Now, Mr. Chairman, this item was called Tuesday evening just before we adjourned and since the honourable Leader of the Opposition indicated that he had a spasm or something of that nature when the item was called, I thought that perhaps I had better say a few general words of background so that this thing can be put in its context.

Well, Mr. Chairman, the amount that we are asking for for the coming year under the heading of entertainment is \$100,000

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and our estimate, the revised estimate, is that last year this item had cost \$95,000. Of course until the books are closed at the end of April we will not be sure exactly what

the amount was but as I said the other evening, Tuesday evening, the amount to date is \$84,371.91. It is not a high amount, Mr. Speaker, in a budget of \$645 million. I have not calculated what the percentage is, \$84,000.00 to \$645 million, but I do believe it would be a very small percentage.

Now, Mr. Speaker, the honourable member is going to try to make an issue out of this small item and appears to be in the full flush of some kind of tangent. I would just like to point out that up to 1969-70 the Liberal administration of which the honourable gentleman was a part did not have a separate vote for entertainment. It was covered under a vote called "other" and under "other" a multitude of things used to be done including entertainment.

The first year in which entertainment appeared as a separate vote was in 1970-71 and the amount that year voted was \$44,824.00

AN HONOURABLE MEMBER: Inaudible.

MR. CROSBIE: Well, this is what I told him to get.

AN HONOURABLE MEMBER: The public accountants over there.

MR. CROSBIE: Yes. It is 1970-71, \$44,824.00. In 1971-72, the last year of a Liberal administration, the amount totalled \$76,453.00, entertainment was \$76,453.00. In the year 1972-73 the amount was \$83,580.00 and this year the amount to date is \$84,371.00. It may go to \$95,000.00. That is our revised estimate.

In the year 1970-71 when \$44,000.00 was spent on entertainment the budget totalled \$417 million. In the year 1971-72 when \$76,000.00 was spent on entertainment the budget totalled \$529 million. In 1972-73 when \$83,000.00 was spent on entertainment the budget totalled \$588 million. This year when the entertainment at the moment is \$84,000.00 the budget totalled \$645 million.

So one can easily see, Mr. Chairman, that the increase on entertainment costs is not proportionate to the increase in the amount voted over all by this government. For example, the difference between last year and this year in total spending, the year just ended, was \$57 million while the increase in entertainment at the moment is

about \$800.00 and when all of the bills are in, maybe \$12,000.00, I do not think a very large increase in entertainment.

Now, the entertainment vote, Mr. Chairman, includes luncheons, dinners and receptions given by the government. As I said the other day, the total of that was \$39,000.00. That includes a payment for dinners or luncheons for groups visiting the Province or people having their first convention here of a national character or other special events like that. This was all started by our predecessors. We have found it necessary to continue the custom.

I give some examples of it. It includes a budget reception which last year cost \$991.34, a very small amount. It includes a reception, for example, for the Lions convention, \$1,901.00; a banquet and reception for the American Legion, \$1,548.00; a contribution by the government towards the Biennial Convention of the Eastern Canada Association of the Deaf, \$1,500.00; a banquet for delegates attending the Canadian Federation of Music Festivals, \$1,427.00 and so on and so on; a reception and dinner for Lord Taylor on his retirement, \$2,274.36.

Mr. Chairman, I remember in the last few years of the Smallwood administration dinner after dinner, reception after reception. Your head whirled with the receptions, and honourable gentlemen opposite say, "Resign."

AN HONOURABLE MEMBER: Inaudible.

MR. CROSBIE: Then it includes, Mr. Chairman, reception and dinner for the Newfoundland and Labrador Association of Fire Chiefs, \$4,169.56.

MR. CHAIRMAN (Stagg): Order, please! Order, please!

If the honourable minister would permit, the Chair's attention has been directed to the fact that there is not a quorum in the committee.

MR. CHAIRMAN (Stagg): Order, please! For the information of honourable members the committee has ceased to function while we are waiting the three minutes for the committee to regain a quorum. We have approximately one minute left.

MR. A. EVANS: Apparently the opposition wish to confuse it. According to my information my role is to try to keep a quorum in the House. Apparently the honourable member is to try to keep it out, is he?

AN HONOURABLE MEMBER: Here! Here!

MR. ROBERTS: On a point of order, Mr. Chairman. All I can say is that it is better to be out of the House with the gentleman from Bell Island than to be in the House with the gentleman from Burgeo.

MR. EVANS: Inaudible.

MR. NEARY: Mr. Chairman, on a point of order, Sir. Now, Mr. Chairman, I think my previous question would be in order. It is no longer a hypothetical one, Sir. Will the amount of time that it takes, the three minutes during the new rules brought in by the Minister without Portfolio to have a three minute quorum call, ring the bell and then three minutes later determine whether there is a quorum in the House, will this be deducted from the seventy-five hours, Sir, or will the clock stop when a quorum is called?

MR. MARSHALL: Mr. Chairman, if the honourable gentleman is rising on a point of order, obviously the time consumed for the three minutes has to be deducted from the total of seventy-five hours. We cannot run stop watches such as that anymore than we could with a point of order. When a point of order is raised, we are not talking about the actual points necessarily under discussion in committee and we do not take time out for that. This is a limitation - in the case in committee of seventy-five hours, a limitation of the total time in debate. The House is spending its time in committee when it is spending its time waiting for the three minutes to expire. It is part of the procedures of the House and part of the procedures of the committee.

We have had the opportunity to consult with various authorities since yesterday and have been speaking with the people in Toronto, in the Tory-blue Province of Ontario from whence this particular rule that we are talking about was extracted at the suggestion of the Leader of the Opposition, although he did not subsequently vote for it. In that

particular case up there where they have the limitation on the total time of committee, points of order are also, I understand, included in the total time.

MR. ROBERTS: Your Honour, if I may to that point of order. I submit that the gentleman from St. John's East is not correct. First of all with reference to Ontario, I do not challenge his statement there but I might point out that in

Ontario the House is allowed 210 hours in committee, not the seventy-five that we have been arbitrarily restricted to here.

The point, Sir, is this; the committee when it is meeting is limited to seventy-five hours of discussion on the estimates. That is clear law, one might say. The rule is there. But, Sir, that must be while the committee is meeting. If there is no quorum the committee is not meeting. If there is no quorum the House is not meeting. That is the whole meaning of the word "quorum". I know the Minister of Education will agree with me that the only purpose of having the requirements for a quorum is that there be a sufficient number to enable a body to meet and thus to pass or to transact business, in our case the committee and in this case to pass estimates.

So if there be no quorum the committee cannot meet. Indeed, Sir, Standing Orders say, "When Your Honour takes the Chair at 3:00 P.M. and 8:00 P.M., if Your Honour does not see a quorum then Your Honour is required to ascertain whether or not there is a quorum on that occasion then the House just stands adjourned or the Committee stands adjourned automatically." The purpose of a quorum call is to ascertain whether or not there are enough members, whether there is a quorum. In other words it is to ascertain whether or not the committee is meeting at all, in fact, whether in fact or in law it is meeting. Therefore it cannot be compared to a point of order.

A point of order is a matter affecting the committee, of upsetting the business of the committee. Obviously it comes off the seventy-five hours. But a quorum call is not, Sir. A quorum call has to do with whether or not the committee is validly meeting. It is not our fault that our rules require three minutes. This was the rule that was drafted by the committee and I was a member of the committee. I take responsibility for that, indeed I voted for the rule.

Nobody anticipated this but the obvious thing to do if the government feel that the rule is cumbersome, is to work out some new wording and see what can be done with it. But to take the three minutes of a quorum call off is improper and not called for under the rules simply because the committee is not meeting at all. As Your Honour himself

said just a few minutes ago, "That the committees have stood in abeyance." I quote Your Honour. I realize Your Honour was not making an ex cathedra ruling but Your Honour said, I think the exact words were "The Committee is not meeting." Now if the Committee be not meeting, obviously the three minutes cannot be allowed to run; simply because the Committee is not meeting.

Therefore I think the correct ruling in the matter, in my submission, is that when a quorum call is called under the rules, the clock in effect is stopped and that three minute period or whatever is necessary to dispose of the matter of whether or not there is a quorum cannot be taken off the seventy-five hours. To do otherwise would be to rule, Your Honour, that then the time consumed when the Committee is not meeting must come off the seventy-five hours that the Committee shall meet. I think the matter is really quite clear.

MR. OTTENHEIMER: Mr. Chairman, if I may add my two cents' or one cent's worth, as I see it the call for a quorum is a procedural move whereby any member is asking the Chair to determine whether the Committee has the right to continue meeting. The rule now requires that there be a three minute interval between the request for that ruling, whether there is a quorum or not, and the announcement of the fact.

I would suggest if the announcement of the fact be to the affect that there is no quorum, then that interval should not count. Whereas

if after the announcement, the fact be to the affect that there is a quorum then - I mean there has never been established then that there is no quorum, all that has been asked for is that a count be made as to whether there is a quorum or not.

MR. ROBERTS: In view of the point that the Chairman himself said that the committee just is not meeting for the three minute interval - that is what he himself said ten minutes ago, in this House.

MR. OTTENHEIMER: Yes, all right now. I would suggest that it is in session but not debating, perhaps it is not debating on whatever point is up for debate before that period of time but that the committee is meeting but if the Chairman came back and reported, "No, there is no quorum," then the committee would not have been meeting.

MR. ROBERTS: But he said, "The Committee was not meeting." Those were his exact words. How do the member argue with that?

MR. MARSHALL: Mr. Chairman,

MR. NEARY: Mr. Chairman -

MR. MARSHALL: Inaudible.

MR. NEARY: Mr. Chairman, I have the floor first, Mr. Chairman.

MR. MARSHALL: Do I have the floor, Mr. Chairman?

MR. NEARY: Mr. Chairman, I had the floor first, the minister has already spoken on this point of order.

MR. MARSHALL: That does not make any difference.

MR. CHAIRMAN (STAGG): The Minister without Portfolio.

MR. MARSHALL: Thank you, Mr. Chairman.

Just a few -

MR. NEARY: Inaudible.

MR. CHAIRMAN (STAGG): Order, please! For the information of the honourable member, this Chairman is only equipped with one head and one set of eyes which happened to catch the Minister without Portfolio.

MR. NEARY: Inaudible.

MR. MARSHALL: Mr. Chairman, I think the honourable member is just spoiling to get the royal boot again but we are not going to indulge his childish fantasies.

MR. NEARY: Inaudible.

MR. MARSHALL: The fact of the matter, Mr. Chairman, is this: it does not say in this rule that when the bells ring the Committee stands adjourned. It says: "The Speaker shall" or in this case, "The Chairman shall cause the bells to be rung and shall cause the count to commence when three minutes have elapsed in the ringing of the bells." It does not mean that we are out of Committee at all, the Committee is still existing and is still functioning. It does not stand adjourned. You do not have to go back to report to the Speaker.

I think it is quite evident - I will also indicate that this is a ruling in Committee and, of course, the ruling in the House may be different because you are talking about bare limitation of members speeches as against; this is a different situation altogether. But,

I think, it is quite clear. Just as points of order. Just as where we have -

MR. NEARY: Inaudible.

MR. MARSHALL: When points of order are being brought up, we do not sit down and clock them, I mean it would become completely and absolutely unmanageable to carry on the work of Committee, if you had to take fifteen seconds out when a point of order was being talked about and what have you.

It is quite clear. It is the way things are. It is the practice adopted in the House in the legislature from which we extracted the main portion of this Standing Order. I think the issue is crystal clear.

MR. NEARY: Mr. Chairman, there is no talk of clocking a point of order, Sir, that is a red herring that the minister just dragged into this point of order that was raised previously, Sir.

Mr. Chairman, I would like to point out to the members of the Committee that according to our Standing Rules of this House, Sir, fourteen members must be in the House in order for business to be legally transacted in this -

AN HON. MEMBER: Inaudible.

MR. NEARY: Not only the rules, Sir, but as the Leader of the Opposition pointed out, according to the act it is improper and illegal, Mr. Chairman, to conduct business in this House unless there are fourteen members seated.

Now under the new rules, Your Honour counts the House and not seeing a quorum Your Honour will either go and ring the bell or send the Clerk to ring the bell.

MR. ROBERTS: That is right, he only rings it when he does not see a quorum.

MR. NEARY: When Your Honour does not see a quorum, Your Honour counts the House. No quorum, we cannot transact business, Your Honour. So Your Honour will go and ring the bell or send the Clerk to ring the bell. As of that moment, Mr. Chairman, the moment the bell rings the

clock should stop. Because as Your Honour indicated a few minutes ago, when the Burgeo Burp was trying to raise a point of order and there was all kinds of a hullabaloo going on in the House, Your Honour indicated that the House has ceased to operate, that the committee was no longer functioning. We could have gone out in the middle of the floor and had a dance if we wanted to, Mr. Chairman, you know that. Members know that. I could have gone over and took the Minister of Finance by the scruff of the neck out into the middle of the floor and had a wrestling match on the floor with him and Your Honour could not do a think about it, because the House had ceased to operate.

So I say, Sir, that Your Honour does not have any choice except to rule that the clock stop when the bells ring. We are not talking about a point of order, Sir. We are quite prepared to accept the fact that a point of order or a point of privilege or a point of information or any other point be included in the seventy-five hours. I am not arguing about that at all, Sir.

MR. BARRY: To that point of order, Mr. Chairman, I can agree with most of what the honourable Member for Bell Island said to the affect that this House cannot legally carry on when a quorum is not present and when it has been determined that a quorum is not present but that is the whole point, Mr. Chairman, that we are discussing here now.

How to determine that there is no quorum present: I submit, under the rules that Your Honour rings the bell not when he knows that there is not a quorum present but when as the rule says; "When the Speaker's attention has been directed to the fact that there is not a quorum present." His attention has been drawn to that. It has not been a final decision that there is no quorum. I submit, Mr. Chairman, that debate should continue after the bell has rung and in three minutes Your Honour then does the official count or has the Clerk - Your Honour shall cause the count to commence when three minutes have elapsed from the ringing of the bells. In the meantime, the Committee should continue in operation. The time should be deducted from the time that the honourable

members have on the estimates and that would solve the problem. We would not be wasting the time of this House, we would not be permitting honourable members opposite to harass speakers and to interrupt them by calling a quorum and then walking out. I submit that Your Honour - that the correct ruling is that the Committee continues in operation until Your Honour has determined that a quorum is not present. And

Your Honour does not do that until after the bells have been rung and three minutes have elapsed.

MR. ROBERTS: Mr. Chairman, if I might add a further word. The gentleman from Placentia West has made a couple of statements which even he, I suggest, finds it difficult to make with a straight face.

First of all, Your Honour earlier in the committee ruled that it was Your Honour's duty and right to determine that there was not a quorum present. This point was argued at some length and Your Honour ruled upon it. We were not in favour of Your Honour's ruling. We argued against it until it was made and we now accept it.

I think Your Honour will confirm that Your Honour said it was Your Honour's duty when somebody said quorum, Your Honour had to see if there were fourteen. If there were not fourteen, then and only then could Your Honour ring the bells. That in itself, I think, disposes of the point raised by the gentleman from Placentia West. I mean the ruling of the committee is clear. I did not hear him arguing against it. Even for a schoolboy debater, he -

AN HONOURABLE MEMBER: Even the House of Lords can overrule.

MR. ROBERTS: The House of Lords cannot overrule itself, Sir, because they say that stare decisis applies. The Supreme Court of the United States regularly overruled themselves. The gentleman from Placentia West has been caught in an inconsistency. Let him at least be man enough to admit it, that he has been caught in an inconsistency.

The second point he made, Mr. Chairman, is nonsensical, completely nonsensical to say that when the bells are rung and the word has gone out, hither and yon, to try to drag the members in, the committee should carry on. Indeed, Sir, that flies in the very face of logic. The only reason the bells are being rung is that there are not fourteen men present in the House. The committee cannot carry on.

The honourable the Minister of Energy is trying very hard

to win brownie points, Sir, but he will have to find a more substantial case to present than the one he has presented. I think the more the debate goes on the more it becomes clear that there is only one possible ruling. That is that when Your Honour has determined there is not a quorum present - Your Honour, I would remind you, Sir, Your Honour ruled quite clearly that it was up to Your Honour to determine whether or not there was a quorum present.

There was quite a bit of debate on that point. Your Honour made a ruling. Your Honour ruled that somebody could draw Your Honour's attention to the fact there was a quorum present but Your Honour determined it. Now, when it is determined there is not a quorum present, Sir, the only point of the three minute rule is that the House is not counted out, that we have to wait three minutes before the House is counted out.

So, I think it is obvious that if Your Honour comes to the conclusion that there is not a quorum present, Your Honour then orders the bell rung, the committee is not meeting, the House if we are in a full House is not meeting. There is no legal authority for it to meet. There is no legal way in which it can meet. Therefore this three minutes should not come off the seventy-five hours. It is interesting to note we have probably consumed more time on this one point of order Tuesday night and today than we have on all the quorum calls called either by us or by such gentlemen as the gentleman from Port de Grave who called one the other day. It is a very important point and I think one well worth the debate.

MR. MARSHALL: If the honourable Leader of the Opposition will permit a question. Is he saying that the House is adjourned when the -

MR. ROBERTS: No.

MR. MARSHALL: Is he saying the House is adjourned when there is not a quorum?

MR. ROBERTS: I do not think I could say that, Mr. Chairman. The point is that the House is not in session.

MR. MARSHALL: Now, the committee is adjourned, does he think?

MR. ROBERTS: Well, the committee could not transact. If the committee were to transact business -

MR. NEARY: On a point of order, Mr. Chairman.

MR. ROBERTS: Hold on, "Steve".

MR. NEARY: One cannot have two members standing in this House at the same time. The Minister of Finance should be asked to take his seat, Mr. Chairman.

MR. ROBERTS: I am answering a question. I think it is a good point of parliamentary law, a very good point. If the committee were to transact business when the Chairman - I think the ruling fact is the fact that the Chairman determines that in fact there are not fourteen men in the committee. We had a ruling from the present Chairman of committees to that point, right on point on all fours.

MR. MARSHALL: Technically speaking the committee is not transacting business now for the past -

MR. ROBERTS: The committee is transacting business. A point of order is a legitimate point of business and so forth. No, No, Mr. Chairman, the point is dead on that if the committee were to pass an estimate, for example, during that period while the bells are rung and members are coming in and out, before Your Honour has said, "I have counted and the bells have been rung and the three minutes has elapsed," I suggest, Sir, that somebody could go before a court and have that estimate struck down on the grounds that it had not been validly passed by the legislative body. The House cannot meet, the committee cannot meet unless there are fourteen members present. Those are the rules.

MR. OTTENHEIMER: If you would, Mr. Chairman, hear one further or perhaps several other submissions. I would suggest that the committee continues in its meeting during that three minute interval but that the debate is suspended during that period. I would also suggest that unless and until there is a statement from the Chair that there is no quorum that it is presumed that at no period has it been found that there is no quorum.

In other words, when a member asks for a quorum call, I would

suggest that the procedure is not for Your Honour to look and to make a quick judgement, "Oh, it looks like there might be less than fourteen or it looks like there might be a lot more." I would suggest that if there were obviously twenty-five roughly members in their seats, that Your Honour would still be obliged to go through the procedure that the rules determine because there is a procedural right that any member has that it be officially certified that there is a quorum present.

I would suggest that if every seat but three or four were filled and a member asked for a quorum call, I suggest that the Chair would not have the discretion to say that it does not think it is necessary; that the member has a right to require that certification.

AN HONOURABLE MEMBER: (Inaudible)

MR. OTTENHEIMER: Well, Your Honour may have ruled on it but I am suggesting that perhaps with respect he would not be the first one to revise a ruling.

What I am suggesting is that there is a procedural right, that every member has to ask for that certification of fact.

MR. SIMMONS: I cannot believe my ears, Mr. Chairman, that the Minister of Education should be so obviously mischievous on this point. I think the record will show if he will check what he just said with the earlier debate on this subject a week or so ago when the matter was first raised that all the argument on the government side and perhaps including his was quite opposite on the point.

It is clear, Mr. Chairman, that the procedure was agreed to here in the House a week or two ago to the effect that there would be an informal determination of whether there was a quorum or not. Only if there was not a quorum present would the bells be rung. The fact of the ringing of the bells means there is no quorum. I maintain that no business of the House can be transacted in the interim, between the ringing of the bells and the announcement of the fact that there is a quorum. So that three minutes are not part of the time in the committee.

Mr. Chairman, we can certainly make a bargain here. We

cannot have it both ways. Certainly there is merit in either but one cannot have it as we have been having it for a week when it is to their advantage on the government side and now suddenly reverse the entire interpretation. We have been operating for a week or two on the understanding that only if there is no quorum present, on the informal determination of that by the Chairman would the bells be rung. I maintain therefore that once the bells are rung, the business of the committee is suspended, not at all like a point of order, obviously. The business of the committee is suspended until the announcement that a quorum is present. Until that time no business can be transacted.

I will suggest one other bargain we can make, Mr. Chairman. We will stop calling quorums if enough government members stay in the House so we do not have to call for quorums.

AN HONOURABLE MEMBER: Sounds logical.

MR. SIMMONS: Sure, it sounds logical. That is the whole problem.

MR. CROSBIE: I have not noticed Your Honour busily writing down these points. I therefore feel that Your Honour must have a photographic memory because there has been a veritable torrent of words. I have not seen Your Honour writing anything down. I know the capacious mind that you have and the tremendous mental agility.

Now, Mr. Chairman, if I had not really been sitting here, I would not have believed that this scene existed outside Kafka or some other author like that because I am one of the few members present who was actually in the House on a day when the government was caught without a quorum at around four thirty in the afternoon when the then member for Burgeo was speaking on the Budget Speech. The then Premier was in the Chair here reading "Time Magazine" and there were three or four of the opposition opposite when at a strategic moment they all quietly withdrew. A quorum call was made and when the deputy speaker counted the House, Lo and behold! there were only nine members!

He strode out of the House and said that he had to adjourn

the House. I raced over after him to the Speaker's office, intercepted by the Premier coming in to tell the Speaker what to do, insisted the rules said we had to adjourn until three o'clock tomorrow afternoon. We did adjourn. I am one of the few veterans of that scene.

Now, to come back to the scene we are talking about. That scene can no longer happen because now the bell has to be rung. That gives you three minutes to call everyone together. There is no reason in this world, Mr. Chairman, why despite your ruling - I bring this to your attention, that Mr. Justice Dunfield once - I had a trial before Mr. Justice Dunfield who ruled against me and who sat on the appeal himself and two other judges of the Appeal Court and he overruled himself. That is the kind of man of vision, of depth of mind and

spirit that Mr. Justice Dunfield had. He certainly was not senile. Right to his last days he was a vigorous and a strong-minded man. If the Chairman should overrule himself, he shall be following in a great tradition. I see no reason why after the bell is rung we cannot continue on.

I only have one last point to make before we run out of a quorum again and that is this, Mr. Chairman, that the quorum calls we are being harassed with every day here, the Liberal interruptness calls I prefer to call them, are only an attempt to interrupt the business of the House. There has been a quorum on nearly every occasion that a quorum call is called until members of the opposition leave deliberately so that we no longer have fourteen members, we only have eleven or twelve. These quorum calls are deliberate strategy. Members opposite for no reason at all leave their seats and go out just on a quorum call to harass the House officials.

I, therefore, submit, Mr. Chairman, that in all due course and with all due solemnity, with all due impartiality, and with all the strength and vigor I have at my command, that you should follow Mr. Justice Dunfield's precedent and overrule yourself and allow us to go on with our business while the bell is rung. If that should not work we shall nail the shoes of the members to the floor or put lead in their pants or we take some measure so they will stay in their seats, particularly members opposite who are leaving time after time on false quorum calls and angering the public of the province, as I discovered yesterday in Grand Falls. There were ten outraged calls from listeners-in who said that they were outraged at the members of the opposition who were having deliberate quorum calls all day long in the House.

MR. NEARY: Mr. Chairman, I happened to hear the honourable gentleman during the commercials on the station I was on. He was having a talk-show. There were no phone calls, all talk, all gab, all lip, no phone calls.

Mr. Chairman, there are a couple of points -

MR. CHAIRMAN (Mr. Stagg): Order please!

Is the honourable member going to be relevant to the point of order?

MR. NEARY: Mr. Chairman, there were a couple of points made, one by the Minister of Education, Sir, who made a couple of suggestions. I submit to Your Honour that it is not in order, Sir, to make suggestions. The rules are laid down in black and white. The government changed the rules of this House, Sir, a couple of weeks ago by getting a two-thirds majority in the House, two-thirds of the members of the House. They brought members off their deathbeds to get them in here to vote for these rules, Sir.

AN HON. MEMBER: (Inaudible).

MR. NEARY: I hope not.

AN HON. MEMBER: (Inaudible).

MR. NEARY: Well they did, Sir. They did some of the members an injustice by dragging them in here in this honourable House to vote for these rule changes. The rules are there in black and white, Sir. One cannot make suggestions. The Minister of Education suggested this, that and the other thing. But, Sir, it is just as sensible for me to suggest that we serve cocktails during these three minutes. It is just as sensible, Sir. How can I suggest that Your Honour do this or that Your Honour do that? The rules are there. They must be followed.

AN HON. MEMBER: (Inaudible).

MR. NEARY: The Minister of Finance says that Judge Dunfield gave us a precedent. Well, Sir, that was a matter of judgment. The human element entered into it. They were appealing on grounds of judgment not rules and regulations that are laid down in black and white. One does not see a referee in a hockey game making up his own rules as the game goes on. They are laid down. He has a rule book. We have a rule book, the Standing Rules of this House. One cannot deviate from them, Sir. They are there. They are laid down in black and white. I think Your Honour does not have any choice but to stop the clock when the bells ring.

MR. CHAIRMAN (Mr. Stagg): To all honourable members: This is a matter of some concern, indeed it is a matter which will govern us or at least

until it is overruled. Whether a decision is made at the present time - I do not feel inclined to make that decision without having given it the consideration that it warrants. Consequently, a decision will be made at a later date, probably later on this afternoon.

Honourable members can conduct business in the normal way. If quorums are called, we will conduct ourselves in the manner to which we have become accustomed, albeit for a short time. If indeed a ruling may change that, then we will deal with that at the time it arises.

MR. CROSBIE: Thank you, Mr. Chairman.

As I was saying before I was interrupted about twenty-five minutes ago, I was giving some instances of dinners and so on that the government have paid for; dinner tendered by the government for the 100th Anniversary of the R.C.M.P., \$3,371.34 and so on. There are a number of dinners, receptions alike. A dinner tendered by the government for visiting German Fiscal Agents of Dresden Bank was \$827.00 and various instances like that. The total of the entertainment expenses for the Soviet delegates (I do not know which Soviet delegates these were but apparently we had a Soviet delegation. I do not know whether Mr. Smallwood was with them or not) was \$224.85.

AN HON. MEMBER: (Inaudible).

MR. CROSBIE: "John Carter" went on a mission to Moscow, and he will be back.

That is \$39,309.99. In addition to this, Mr. Chairman, the Premier and members of the government and officials of the government from time to time have to entertain people they are doing business with, either here or on the Mainland or elsewhere.

Mr. Chairman, as I said the last day and I will repeat, these are items over what? The rule is that if the amount involved exceeds \$100, it has to go to Treasury Board for approval. If the amount is less than \$100, it can be approved by the minister concerned or the Premier, by them or their officials. Amounts over \$100, entertainment that the Premier had last year, the fiscal year just ended, totalled \$8,098.91.

MR. ROBERTS: These are totals over \$100?

MR. CROSBIE: Yes, this is the total of entertainments over \$100.

MR. ROBERTS: (Inaudible).

MR. CROSBIE: That is correct. Right. Probably there is and doubtless there is.

I must say that I did have two luncheons myself; one for the representatives of Merrill Lynch and Burns Brothers, \$281.41 and representatives of the Department of Finance.

AN HON. MEMBER: (Inaudible).

MR. CROSBIE: No, I do not think so but it is possible. I do not remember. That does not burn itself on my memory.

There was another luncheon in Switzerland, tendered by dignataries involved in the signing of the Swiss franc loan, \$374.63.

MR. ROBERTS: Does the honourable gentleman have a Swiss bank account?

MR. CROSBIE: I wish I did. While I was there I tried to check up on some other accounts but they will not give any one the names.

MR. ROBERTS: (Inaudible).

MR. CROSBIE: No, he was not at the lunch. Mr. Peper and I were sacrificing our all for the people of Newfoundland.

MR. ROBERTS: (Inaudible).

MR. CROSBIE: That is what I have. It is a job to keep it down.

MR. ROBERTS: (Inaudible).

MR. CHAIRMAN: Order please!

The Hon. Leader of the Opposition knows the rule quite well that when an honourable member is speaking, he does have the right to be heard in silence. I suggest that that rule be observed.

MR. CROSBIE: Thank you, Mr. Chairman.

Anyway, the amount for ministers was \$2,370.15. Then there are amounts for other officials of the government and so on, \$3,575.15. Items under \$100 which cover ministers, civil servants and any one else involved, \$31,017.71 for a total of \$84,371.91. That is the entertainment amount for this year. I tried to put it in context, Mr. Chairman, in

case honourable gentlemen opposite want to adopt their usual tactics of trying to infer that there is anything unusual or large or extraordinary about this. It has been our practice, Mr. Chairman, which I think differs in some respects from that of the previous administration, to pay - we feel the government should pay to entertain people, here on business and so on in addition to them paying for entertainment for government officials. It may have been the practice in other days to accept entertainment and do nothing in return although the figures do not bear that out. We feel that it is proper for the Newfoundland Government to bear its share and this is the amount, which is not unusual and which is only \$8,000 more than the amount was in 1971 and 1972.

MR. ROBERTS: Mr. Chairman, I thank the minister. He did not reply to the question I put to him on Tuesday evening as to whether I would be permitted the same privilege which was accorded to an earlier, I think, Leader of the Opposition. I do not know whether the Hon. W.J. Brown was leader or merely a member at that time

AN HON. MEMBER: (Inaudible).

MR. ROBERTS: He was never Leader of the Opposition. He is about the only one in the House who has not been Leader of the Opposition at one time or another, past or future. He certainly was an opposition member and that then strengthens it. The

then Premier agreed to Mr. Brown's request that he, Mr. Brown, be allowed to proceed to the Department of Finance to examine vouchers and I made the same query of the honourable Minister of Finance. He did not respond to it. I do not know if he should want to make any response now. I know he had to speak to the Premier. That I can understand.

MR. CROSBIE: Mr. Chairman, I never made any response the other night because that would not be a decision made by me alone. I have since consulted with the Premier and my colleague. There is no correlation as far as I can see, Mr. Chairman, between the incident the honourable gentleman mentions about Mr. Brown going through invoices and the present vote. I believe if my memory serve me right that these many years ago Mr. Brown had made certain charges in connection with the Newfoundland Hardwoods Plant. If my memory serve me correctly there were allegations of wrong doing and so on and the government to quiet them down denying there were any wrong doings, said that if he wanted to go and look through all the invoices and so on he was free to do it. Apparently he went and did it, As far as I remember he could not find anything wrong.

Now, Mr. Chairman, we have an Auditor General. There is no allegation and if there is anything wrong with any of these charges they are entertainment of the government. I have summarized them and the government therefore see no reason whatsoever why the honourable member's request should be approved or assented to. In fact it would be an extremely bad precedent.

MR. POBERTS: Mr. Chairman, I regret the minister's answer because I suggest there is something wrong. Let me be quite clear on what I am suggesting and talking about. I am not talking about the government banquets. The Minister of Finance deliberately or not is trying to shall we say pull the napkin over the banqueters eyes by his references to years past. I am as aware as he is and everybody in the committee is aware that there have been banquets and presumably

there always will be. I happen to think they are a waste of time. Nothing gives me less pleasure to go to any banquet outside my district. I am quite happy with any functions sponsored by any government in my own constituency, I am quite happy to go.

However, be that as it may the government must entertain and the government do entertain and that is quite proper and really it would be quite wrong not to do it. The Minister of Finance I submit is trying to hide something and what he is trying to hide has got nothing to do with the - and by the way let me say that if the Premier wants to enter into debate I will yield the floor at any point because the votes under question, as the Minister of Finance has stressed to us, involve the Premier. I am not suggesting that there is anything wrong in the sense the Premier has put anything in his pocket or done anything like that at all. I think I am as conscious as any member of the demands made upon whoever happens to be Premier of the province in the way of having to entertain people and take them out to meals and generally do the social thing.

What concerns me, Sir, are not the banquets. The total of the banquets may have gone up or may have gone down. What concerns me are some of the items and I have here the figures drawn from the Auditor General's Report, the official public accounts for two years, the only two years for which we have figures, 1971-1972 and the following year 1972-1973.

During those two years, Sir, I will refer to five headings - Business Luncheons and Receptions went from \$2,600 in 1971-1972 to \$9,600 in 1972-1973. I do not have a figure for the 1974 year because no public accounts have been tabled. That year of course only ended, well it has not yet ended in the bookkeeping sense, it ended three or four weeks ago. The books will be closed in another week or ten days, the end of this month.

Meals and Refreshments Supplied Guests of Government at Confederation Building, that is the heading in the public accounts. In 1972-1972 there were \$912 and in 1972-1973 there were \$4,375.

Official Entertainment by the Premier in 1971-1972 was listed as nil. In 1972-1973 it went up to \$2,832. The figure given us by the Minister of Finance, he was not asked but he volunteered it and I am glad he did, was \$8,100 in round figures. So it has gone up.

The Press Receptions figure was nil in 1971-1972. It went up to \$1,400 in round figures in 1972-1973 and the miscellaneous went from in round figures, \$400 in 1971-1972 to \$2,500 in 1972-1973. I have no idea what that is but it is a lot of miscellaneous.

Now, Mr. Chairman, let me first deal with the point the Minister of Finance makes that this is a very small percentage of the estimates. Of course it is. It is an infinitesimal percentage. It is a portion of one per cent of the total expenditure of this government. Mr. Chairman, that is not the point. The point is that these are public funds and the question is are they being spent properly. All that the Auditor General can determine, Mr. Chairman, is whether or not these funds have been spent in accordance with the legislative authority. If he finds that they have then he certifies them that the accounts are correct.

The reason why I asked to see the vouchers and it is obvious that the government are not going to permit it, the reason why I asked is because I want to see on what they were spent. Now perhaps the Premier will tell us. To do the man justice, Mr. Chairman, he was not here the other evening when the committee met. It was quite late. It was 10:50 p.m. when this item happened to come up and it may well be there are perfectly straightforward and logical explanations. I await these. I feel that I am justified in asking for them because not only are these public funds but, Sir, to my knowledge, my knowledge may not be complete but it is reasonably complete, the former Premier never made a practice of having official entertainment charged off to the government. I am not aware that he did, as the Minister of Finance so slyly suggested he was

entertained by other people. I am sure he was entertained by other people just as I am sure the present Premier is entertained by other people. I am sure the Minister of Finance on occasion has broken bread with somebody else supplying the wheat and the dough that goes into the bread and the dough that pays for the bread. I mean that is a suggestion which reveals only that the Minister of Finance realizes he is on a sticky wicket.

So the question is simply what official entertaining is being done, if this be over and above travel expenses. It is over and above where a government give a banquet. It is over and above where some delegation come down, they are bond people or some industrial group coming to speak with the Minister of Industrial Development; that is all quite proper. For example National Sea come down to talk about trawlers and the minister takes them to lunch; that is a proper enough charge in certain circumstances against government service. There is nothing wrong with that.

But, Sir, there is a prime facie case that there is something wrong with \$8,100 going on official entertainment. I would like to know what it is. That is why I asked what the vouchers showed. The vouchers are the only way to show where it went and for what purposes. Perhaps the Premier, I outlined a case and the Premier could say a few words. He seems to be gathering himself across the committee, Sir, maybe he could set our minds at rest. Sir, I think there is a point. There is a point at which the public should be satisfied.

MR. MOORES: Mr. Chairman, I could do my best to set the honourable member's mind at rest but that would be too big a challenge for this afternoon. The fact is that I think I should say something about the \$8,000. It has become a major issue of the day.

MR. WM. ROWE: The Minister of Finance emphasized it.

MR. MOORES: Well for a change we are not at all backward about

discussing it and there is no reason why we should not. I was surprised to see that in 1971 the Premier of the province spent nil. With all the free hash he ate, Mr. Chairman, that was quite a feat.

It is almost unbelievable Mr. Smallwood was so successful for so many years in getting so many free meals. The obligations that obviously were accrued we have paid for over and over but the fact is that even though the previous Premier did a lot of travelling, he obviously spent very little money. But the fact remains, Mr. Speaker, that in those days and I think the Leader of the Opposition as well as members on this side of the House are in a position to know that the Premier of that day was very insistent that other ministers travelling with him would pick up signing authorities or expenses or whatever.

MR. ROBERTS: But this \$8,100 does not include travel expenses.

MR. MOORES: In one case it does but in this case -

MR. ROBERTS: Inaudible.

MR. MOORES: Well that be as it may and also the fact is that this \$8,100 includes the dining room which was, as mentioned in the 1972 figures for the Premier's expenses. - the dining room was \$7,100, \$4,300 and \$2,800 I think the Leader of the Opposition mentioned. I did not have those figures previously. But gladly will I give the figures on how that \$8,000 is broken down, as best I can here in somewhat general terms but I think

enough to qualify what it means. In the province, entertaining groups that have come here, but I will break it down further in a moment, was \$3,600, out-of-province entertaining was \$2,900 and \$1,400 associated with the dining room.

In the local entertainment, the in-province, there were sixteen various functions in fifteen months. It includes fifteen months by the way, Mr. Chairman. Which were used for various industrialists and senior people from out-of-the-province that visited here as well as visiting dignitaries from the U.K., Germany, as well as federal ministers and officials from Ottawa.

As an example of what I am talking about, Mr. Chairman, next Monday there are seven gentlemen from Japan arriving and three Canadian industrialists, they are here on what could be very important matters to the government and on next Wednesday evening there will be a dinner for them which is a sort of an expense we have incurred here.

There have been approximately 300 people in the sixteen functions in the past fifteen months which basically is the \$3,600 expenditure. That has been spent in various establishments in the province. I think virtually all the major restaurants and hotels in the city, certainly there is nothing to be gained by inspecting the vouchers to see where they ate. I think the amount is important. I think who visited here was important.

I could review the total list of individuals. I do not think a great deal would be achieved but I can say there were approximately 300, in total, including provincial ministers, provincial officials and those visiting dignitaries, industrialists, their senior people and federal ministers and so on.

Out-of-the-province expenditure which was \$2,900; that included two trips to London, quite a few trips to Ottawa and quite a few trips to Montreal. In total during those trips there were some ten distinct functions held. The refinery for instance, when the second refinery was done, there was one in the U.K., ECGD, the British financial people were involved, various financiers, various industrialists again and others. Equally in Ottawa, of course we had federal officials and we had federal

minister for specific dinners. We had at the First Ministers' Conference, for instance this year we had two distinct functions for visiting delegations for reasons that I hope will become obvious this year. In one case there was a \$700 expense in for a five day trip, I think it was, regarding hotel and other expenses, so a hotel bill did get in there. In Ottawa we saw business contacts as well.

In Montreal we had one function which involved industrialists particularly in that case it was I.O.C. which was the major reason we had that at that time.

The dining room which was \$1,400, Mr. Chairman, last year it did not include any booze; as we are blamed for or any wine as the previous Premier was blamed for or any beer which he could leave or take or whatever. The fact is that the dining room last year was almost, not quite, 700 various people ate there. That included ministers of the crown. It included working luncheons, believe it or not. It included representatives of labour, quite a few, representatives of business in the local community and people who came in from outside. As the Leader of the Opposition and as the Opposition well know, these people almost 700 that used that dining room at a cost of \$1,400 at \$2.00 a meal, I guess that is the cheapest meal in town, Mr. Chairman.

But the fact is, I think, with all due respect, putting it into proportion I think that the Opposition and ourselves both realize that these functions and this sort of meeting and this sort of thing is essential. I have made it a point of registering it under the Premier Office which I think it is a fair thing to do. I do not think they are exorbitant figures, as a matter of fact, when you take out-of-pocket expenses, it is probably a very low figure. But I think it is reasonable. I hope that satisfies the Leader of the Opposition, at least certainly part way.

MR. CHAIRMAN: Shall 406-01-01 carry?

On motion 406-01-01 carried.

MR. CHAIRMAN: Before proceeding with proceedings further I wish at this time to make a ruling on the matter which came up in committee earlier.

I would like to direct honourable members attention to the wording of Standing Order 116 (a) which reads as follows: "The proceedings in Committee of Supply shall be limited to not more than seventy-five hours to be reduced in accordance with the following provisions of this Standing Order." Then to Standing Order 5, as amended, which reads as follows: "If notice is taken by a member that there is not a quorum present in the Committee of the Whole the Chairman follows the course pursued by the Speaker of the House. If he ascertains that 14 members are not present he leaves the Chair, the House is resumed, and, on his report the Speaker counts the House or may cause the House to be counted by one of the Clerk's of the House, and if there be not then a quorum he must adjourn the House forthwith."

The sentence to which I draw honourable members particular attention is in the middle of that particular Standing Order and is the following, "If he ascertains," he being the Chairman of Committees, "Ascertains that 14 members are not present, he leaves the Chair." Until the Chairman leaves the Chair the Committee is in session. Consequently all time consumed while the Chairman is in the Chair will be deducted from the seventy-five hours set aside for the consideration of estimates.

Shall 406-01-02 carry?

AN HON. MEMBER: What is the breakdown?

MR. CROSBIE: That is the cost of getting an insurance policy to cover employees travelling on non-schedule air flights based upon actual flying time for previous years. Does the honourable gentleman want to know who the policy is with?

AN HON. MEMBER: Government aircraft.

MR. CROSBIE: Yes, well it might be government, it might be any kind of - but does he want to know who the policy is with?

AN HON. MEMBER: No, Sir.

AN HON. MEMBER: E.P.A.

MR. CROSBIE: He did not want to know. It is Bowrings.

On motion 406-01-02 carried.

MR. CHAIRMAN: Shall 406-01-03 carried?

MR. NEARY: Mr. Chairman, I would like to know what this is all about. Institute of Public Administration of Canada - other \$145,000. Could the minister give us a breakdown on that, Sir.

MR. CROSBIE: I can give him a breakdown of the Institute of Public Administration, \$2,200. It is a membership fee for the government to belong to the Institute of Public Administration of Canada which all -

MR. NEARY: We are doing 01-04, are we not?

MR. CROSBIE: Yes, but he asked about 03 first. Now he wants to do 04?

MR. NEARY: Yes.

MR. CROSBIE: Well this is a contingency account, Mr. Chairman, and has been in the estimates for many years. In previous years it has varied in size. For example, in 1970-1971 when the honourable gentleman was in the government - \$345,301 that is what it came to. Then the year after that 1971-1972 it was \$131,000, in 1973, it came to \$95,000. This year to date it is \$149,000. So it is a vote for contingencies, Mr. Chairman.

MR. NEARY: Inaudible.

MR. CROSBIE: I will give some examples now of what some of the contingencies were. For example, there was \$8,112 paid for survey of government leased properties to make sure we were not leasing more space than was actually there. That was done by Avalon Construction and Engineering Limited.

MR. NEARY: Is that Mr. Wilson?

MR. CROSBIE: That certainly is.

MR. NEARY: It is? Ah!

MR. CROSBIE: A very fine, capable -

MR. NEARY: A great Tory.

AN HON. MEMBER: My buddy.

MR. NEARY: George Wilson, that great Tory.

MR. CROSBIE: I do not know whether that gentleman is a Tory or not.

MR. NEARY: But I can tell him, he is.

MR. CROSBIE: He is a tremendous public servant.

MR. NEARY: How much did he get out of that, \$14,000, Sir?

MR. CROSBIE: Eight thousand one hundred and twelve.

MR. NEARY: Oh my! That is only a drop in the bucket.

MR. CROSBIE: That was for going around the province and checking all government leased space because it was found that government in a number of instances, particularly in connection with liquor stores and the Philip Place down here, were paying rent for space that did not exist.

MR. NEARY: How about the Viking Building?

MR. CROSBIE: I do not know anything about the Viking Building. He can go to the Viking Building, if he wants to. The Viking Building has nothing to do with me. My name is "Crosbie" not "Viking".

MR. NEARY: How naive does the honourable think we are?

MR. CROSBIE: Can I go on and answer that question?

MR. NEARY: Yes, boy go ahead! Carry on.

MR. CROSBIE: Mr. Chairman, protect me please.

MR. NEARY: Give us the other payoffs.

MR. CROSBIE: That was \$8,112 - Listen to the honourable gentleman. They are in a frenzy over there. What friends do the honourable gentleman have that he wants to measure the lease premises with?

MR. NEARY: Well give us the other rip-off. Give us the other political secrets.

MR. CROSBIE: I am going to come to some real jim dandies now. I have one I am holding back to give you the clue who to growl with.

MR. NEARY: Take your time now, let us have them.

MR. CHAIRMAN: Order, please!

The honourable Member for Bell Island for the nth time is directed to the rule of parliamentary procedure and courtesy that honourable members speak in this House or Committee when they have the floor and other honourable members are to be accorded the courtesy of silence.

This is not being observed. It is being flaunted by the honourable member. Whether or not this ruling from the Chair will affect him or not, we will find out. I suggest that the honourable member has his opportunity to speak. There is no limit on debate in estimates with the exception of the seventy-five limit. We have some sixty hours to go. I suggest the honourable member has plenty of time to make his points.

MR. NEARY: Mr. Chairman, I humbly bow to your ruling, Sir.

MR. CROSBIE: The honourable gentleman's humility is really exciting.

Mr. Chairman, there was an amount of \$2,300 paid to Kates, Peat, Marwick and Company for services rendered on the government pensions plans from October 1, 1972 to November 30, 1972. This was an actuarial study on the government pension plan.

There was a silver-plated caribou presented to Lord Taylor on behalf of the government -

AN HONOURABLE MEMBER: How much? How much?

MR. CROSBIE: On his retirement. The honourable member wants to know how much that is.

AN HONOURABLE MEMBER: A beautiful caribou.

MR. CROSBIE: \$267.50. A silver-plated caribou is not too good for his lordship after his years of service to this Province. There was an oil painting presented to his lordship on his retirement.

MR. NEARY: How much?

MR. CROSBIE: \$600.00.

MR. NEARY: Who did it?

MR. CROSBIE: It was painted by -

MR. NEARY: Christopher Pratt, no doubt.

MR. CROSBIE: No, Stephen Neary.

MR. NEARY: No it was not.

MR. CROSBIE: Is that irrelevant?

MR. NEARY: Oh no, it was not.

MR. CROSBIE: It was painted by Stephen Neary. Yes.

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: It was painted by whom?

MR. CROSBIE: By some other baboon. I do not know who painted it. It was purchased from the gallery.

MR. NEARY: Christopher Pratt, no doubt.

MR. CROSBIE: I do not know who painted it.

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: Who?

AN HONOURABLE MEMBER: Inaudible.

MR. CROSBIE: Then Gander Aviation. Oh! Harold Goodridge, Harold Goodridge, was it?

AN HONOURABLE MEMBER: Inaudible.

MR. CROSBIE: I never saw it.

Gander Aviation Limited were paid \$7,269.72 for emergency air-lift of food stuffs from Gander to Fogo Island during the ice blockade in the winter and spring of 1973. That is the kind of thing the vote is used for that comes up unexpectedly.

MR. NEARY: That is good.

MR. CROSBIE: Oh! Wait now. Here is one that the honourable gentleman will be interested in. Legrows Travel Agency, \$2,507.20, that is travelling expenses.

MR. NEARY: For what?

MR. CROSBIE: No, never mind now.

MR. NEARY: For what?

MR. CROSBIE: Now, the next one is Newfoundland and Labrador -

MR. NEARY: What was it? Travel Agency for what?

MR. CROSBIE: For travelling expenses.

MR. NEARY: For whom?

MR. CROSBIE: Now, that is not pertinent. Newfoundland and Labrador Air Transport Limited -

MR. NEARY: Mr. Chairman, -

MR. CROSBIE: Does he insist on having this information?

MR. NEARY: Yes, give it to us, boy.

MR. CROSBIE: That was for John Nolan.

MR. NEARY: For what?

MR. CROSBIE: John Nolan.

AN HONOURABLE MEMBER: He took a trip to Germany -

MR. CROSBIE: \$2,500.00 and since the honourable gentleman has insisted, it is \$2,507.20, travel expenses to the account of Mr. John Nolan when he was Minister of Economic Development. The expenses were incurred in August and September, 1971 but the bills were not submitted for payment until this year. So we have even looked after -

MR. NEARY: Is it paid?

MR. CROSBIE: Oh! It is paid now, yes. It was a trip to Germany or something.

MR. NEARY: When was it paid, in the last fiscal year or in this fiscal year?

MR. CROSBIE: No, in this one just ended.

MR. NEARY: No, well I want to know what they are going to spend it on this year.

MR. CROSBIE: Oh! But I thought the honourable member asked me for a breakdown on what was spent -

MR. NEARY: That is right. I want a breakdown.

Mr. Chairman, -

MR. CROSBIE: Mr. Chairman, how can I break down -

MR. NEARY: Mr. Chairman, the minister is obviously, Sir, trying to mislead the House. I asked for a breakdown.

AN HONOURABLE MEMBER: I would give up.

MR. NEARY: I asked for a breakdown of the 1974-75 fiscal year under miscellaneous 06-04, Sir, "other", \$145,000, and what the minister is giving me, Sir, is what was paid out in the last fiscal year.

MR. CHAIRMAN (Stagg): I think both honourable gentleman are somewhat misguiding on this matter. We should be discussing 406-01-03

which has not been passed yet.

MR. CROSBIE: Mr. Chairman, the amount asked for this year, it says "other" but it is really contingencies at \$145,000. Now we do not know, Mr. Chairman, exactly what it is going to be used for this year. It is for contingencies. Other unusual things might turn up. There may be more bills turn up from John Nolan or Steve Neary or somebody who travelled before we took over and have to be paid, because we are gentlemen, we observe the obligations of our predecessors. There may have to be other air lifts of supplies or there may have to be other studies done that we do not know about now. So I can go on and give the honourable member a few examples from last year.

AN HONOURABLE MEMBER: Inaudible.

MR. CROSBIE: The second instalment of the J.W. Pickersgill Fellowship is \$2,000. That goes to John Frecker, under an act of the House here. He is a brilliant young fellow doing his doctorate at Queen's University in political science. He was awarded a Pickersgill fellowship and that is the second installment of it.

There is \$119.88 leather covered In Memoriam Register in honour of the late Rt. Hon. Louis St. Laurent. So this is the kind of thing that it is spent on.

Burke's Jewelers, no, we will skip that one. Silver service and tray, it went to Lord Taylor-

AN HONOURABLE MEMBER: Inaudible.

MR. CROSBIE: On his retirement.

AN HONOURABLE MEMBER: Inaudible.

MR. CROSBIE: That was \$428.25, that was.

MR. NEARY: \$428.25.

MR. CROSBIE: There was an advertisement placed in the Centennial edition of the Charlottetown Guardian, \$133.40. Then we paid for an airline ticket and hotel accommodations for representatives of Moody's Rating Service from New York. They came here as our guests in August, 1973.

MR. NEARY: What did they do?

MR. CROSBIE: We are trying to get - our rating down in New York is

B-A-A

MR. NEARY: Alcoholics Anonymous.

MR. CROSBIE: I feel like joining them now. We are trying for a raise to A.

MR. NEARY: After Grand Falls.

MR. CROSBIE: We brought Moody's down here and toured around the Province and entertained them and took them to the Linerboard opening and our rating is still B-A-A. So they will not be down again. So that was \$577.18.

Then there were, for example, no, I will not give them that one.

MR. NEARY: Yes, give us that one, come on, that must be -

MR. CROSBIE: Services rendered with respect to Exon House arbitration. We had to be represented on arbitration. That went to Stirling, Ryan, Goodridge, Caule, Gushue and Goodridge, \$980.00.

MR. NEARY: A good law firm there, my law firm.

MR. CROSBIE: Are they the honourable gentleman's law firm?

MR. NEARY: Yes.

MR. CROSBIE: In that case, they will not get any more of this stuff.

AN HONOURABLE MEMBER: They are all too tied up to handle them.

MR. NEARY: I have them all tied up now.

MR. CROSBIE: No wonder he got the biggest law firm in town. It will take all twelve of them to handle him. \$980.00. Oh! Here is one! Here is one that will please the Leader of the Opposition.

MR. NEARY: LeGrow's Travel.

MR. CROSBIE: Now just listen to this. Now hear this! Now hear this!

AN HONOURABLE MEMBER: Ring the bell now.

MR. CROSBIE: Fire insurance premium for various mortgage properties of Reids Products Limited of Bide Arm to protect mortgage held by the government, \$7,955.45.

MR. NEARY: Who got the policy?

MR. CROSBIE: It does not say here who got the policy.

MR. NEARY: Find out.

MR. CROSBIE: Pastor Booth will be able to tell him. Ask the Leader of the Opposition to ask him.

MR. NEARY: The honourable gentleman just walked into the public gallery.

AN HONOURABLE MEMBER: Probably Mutual Life -

MR. CROSBIE: Now here is another one that is going to please the member from Bell Island. He is going to get ecstatic.

MR. NEARY: LeGrow's Travel?

MR. CROSBIE: What?

MR. NEARY: It is not LeGrow's Travel.

MR. CROSBIE: No, no, not LeGrow's Travel. This is a grant on account of the Bell Island, Portugal Cove ferry service -

MR. NEARY: Ha!

MR. CROSBIE: Paid for the period from September 10 to October 7 on the magnificent presentation that Mr. Hickey, the Minister for Transportation, made to the cabinet and the treasury board. Our hard hearts cracked and money poured out to attempt to improve the ferry service, \$10,609.42. That is the Hickey amount.

AN HONOURABLE MEMBER: Inaudible.

MR. CROSBIE: The honourable gentleman had not thanked him publicly either.

MR. NEARY: Waste of money.

MR. CROSBIE: Brinks of Canada, who take money from the Motor Registration Division of the Department of Finance, \$286.00. Oh! The honourable gentleman will be interested in this. Curtis, Dawe Fagan, Mahoney, Russel, Bonnell and Althouse, some small accounts they had for some of the government industries, Hanning Electric, Atlantic Glove, Superior Rubber, A. Adler of Canada Limited.

AN HONOURABLE MEMBER: This is a success story.

MR. CROSBIE: That is a magnificent success. These are some of the corpses left over -

MR. NEARY: How much? How much?

MR. CROSBIE: From the early successes of the Economic Development Programme.

MR. NEARY: How much?

MR. CROSBIE: \$130.00.

MR. NEARY: \$130.00.

MR. CROSBIE: \$130.00

MR. NEARY: My God! That would not buy a stamp for Les. \$130.00.

MR. CROSBIE: To help him out in his retirement.

Now, let us see. Oh! Here is one. No, I had better not give that.

MR. NEARY: Yes, let us have it, boy. Give it to us.

MR. CROSBIE: The Battery, rooms rented during arbitration hearings of the lab and x-ray employees, \$219.26.

AN HONOURABLE MEMBER: Inaudible.

MR. CROSBIE: Stirling, Ryan, Goodridge, Caule, Gushue and Goodridge -

MR. NEARY: Ah! Ha!

MR. CROSBIE: These in connection with conciliation board and the Western Memorial and the Central Newfoundland Hospitals, \$1,270.00.

MR. NEARY: A good firm.

MR. CROSBIE: H. Karl Goldenberg, O.C., fee for arbitration between NAPE, Government of Newfoundland and Newfoundland Hospital Association, \$6,212.50. Mr. Goldenberg is a top-notch man.

MR. NEARY: Mr. Goldenberg is an expensive conciliator.

MR. CROSBIE: He has to be compensated when he comes.

MR. NEARY: He is pretty expensive.

MR. CROSBIE: He is a magnificent man. He charges accordingly.

There is nothing wrong with that. I do not want just to be subjected to criticism because I am very strong on Karl Goldenberg. He is a terrific man.

MR. NEARY: How many days did it take him to do that?

MR. CROSBIE: I think he was here, oh! I guess three days and then there was another time up in Montreal.

MR. NEARY: Not bad. Over \$2,000 a day. That is not bad.

MR. CROSBIE: He does not charge by the day. He charges by the -

MR. NEARY: That is almost as good as Puddester down in Justice

right now.

MR. CROSBIE: I do not know anything about him.

Now, Kates, Peat and Marwick; services are rendered on a group insurance plan - they were asked to advise on all these proposals and tenders on the group insurance plan - \$4,785.

The large amount here was a Classification Appeals Board. We did not have a subhead for that. We have got it this year but it had to be charged to "Other" last year. That was \$23,441.39. That was salaries for the permanent staff, travelling expenses and remuneration of the chairman and members. This year it has been charged to a particular subhead.

There were travel and accommodation expenses for two federal government personnel seconded to classification of pay division. The federal government at our request sent down two classification of pay experts. We reimbursed them their salaries and travelling and so on. That was \$5,457.92. Oh boy!

AN HONOURABLE MEMBER: Do not get tired now.

MR. CROSBIE: There was the cost of accommodations and long distance telephone calls provided for the Soviet Ambassador and his first secretary in St. John's, January 31 to February 2, 1974, \$273.

MR. NEARY: Where did they call? Moscow?

MR. CROSBIE: I think he called Siberia.

For purchase of automate blue dye for marking tax exempt gasoline and diesel fuel, \$11,686.88. That is now covered in an earlier subhead in the department.

So, that will show you, Mr. Chairman, some or most of the items that crop up from time to time where there is no particular vote for them and they are paid out of this vote.

MR. NEARY: Well, Mr. Chairman, that was a very interesting exercise indeed and very revealing, Sir.

There are a couple of items there, Sir, that I would like to get some further clarification on, maybe get some documentation if it be possible. First of all, Sir, I might say that Lord Taylor

certainly got a pretty good send off. He got a silver service, \$428.25. He got a painting, \$600 and a silver plated caribou, \$267.50. That is \$867.50 plus \$428.25, \$1,295.81, Sir, plus a big, fat pension. There was a special bill put through this House to give "My Lord" a big, fat pension in addition to these three going away gifts. Why, "The Lord" must have needed a special aircraft, Sir, to get his presents back to the other side.

There is a saying in Newfoundland, Sir, "You come to Newfoundland with the seat out of your pants and you go out of it a millionaire."

MR. CROSBIE: Inaudible

MR. NEARY: I do not think it is any harm, Sir, to say that because that is one honourable gentleman that certainly left well equipped well taken care of. I am sure the second hand store owners must have been waiting at the airport for them to arrive to see if they could get in on some of the loot that he was carrying back from Newfoundland.

Now, Sir, Gander Aviation: I think that was a justified expenditure. There was an emergency down there last winter trying to get supplies out to some of the islands.

AN HONOURABLE MEMBER: There is another one in Labrador now.

MR. NEARY: Another one in Labrador. I hope that will be taken care of.

MR. CROSBIE: It will be taken care of the same way.

MR. NEARY: Exon House is probably a justified expenditure.

Fire insurance on the Reid property at Bide Arm, \$7,000. The minister could not tell us who had that policy. Perhaps I can help.

MR. CROSBIE: R.C. Anthony.

MR. NEARY: R.C. Anthony. Well, not to bad.

MR. CROSBIE: Keep digging, boys, keep digging.

MR. NEARY: Now, that brings me down to the grant of \$10,609.40 for the Bell Island, Portugal Cove ferry service. Now, Sir, in my opinion that was a classic example of extravagance and waste, the like, Sir, of

which I have never seen in my experience in this honourable House. That was \$10,000 down the drain.

AN HONOURABLE MEMBER: What is that? The ferry to Bell Island?

MR. NEARY: No, not the ferry to Bell Island, Sir. This \$10,000 they wacked out for some foolish notion that they had. It is not the fault of the Minister of Transportation and Communications. I think he was ill-advised. They did not consult with anybody. They did not have any prior consultation with the people of Bell Island. I certainly was not consulted. I think I have a fair knowledge of that transportation system. I go back and forth there often enough. I have a fair idea about what is going on.

They did not approach anybody. They just went ahead, Sir, foolhardy, stubborn, went ahead and thought they were doing a great thing. I do not know who advised them.

AN HONOURABLE MEMBER: Mr. Vickers from Bell Island.

MR. NEARY: Mr. Vickers advised the minister and his committee? No, Sir, I do not think. I think that is incorrect and I am sure that if Mr. Vickers and his committee were here that they would deny that because I discussed the matter with him.

AN HONOURABLE MEMBER: All right. Then I retract.

MR. NEARY: That is right, Sir. There was room for improvement on the Bell Island, Portugal Cove service, Sir. There was need for additional trips but the hours, the ungodly hours that they put them on. They put on a trip on Sunday morning, seven o'clock Sunday morning, I think it was, to bring commuters back and forth or from Bell Island to Portugal Cove to go to work. There was one commuter, Sir, to my knowledge that used to use the Sunday morning trip and that was the nine thirty trip, one commuter only and he died before the seven o'clock trip was implemented.

AN HONOURABLE MEMBER: It should have been a six o'clock trip.

MR. NEARY: No, the poor fellow would not have made it anyway. He could not hang on long enough.

MR. DOODY: No, we were told that there were shift workers at the

hospital there who had to get over.

MR. NEARY: Who told the honourable member?

MR. DOODY: Inaudible.

MR. NEARY: Well, can the honourable member produce the documentation?

Is there any -

MR. DOODY: I do not have it with me. I am only speaking on behalf of the minister, from memory. He had a well documented brief supported by petitions from people over there.

MR. NEARY: I would like to see the documentation. I would like to have it tabled while we are discussing this item.

Then they put on another trip, Sir, in the middle of the night when everybody was in bed, gone to sleep. They put on another trip. The only ones I think who were using that trip I think were a few teenagers who used to dash over to St. John's to see their girlfriends, two or three. I went down there several times to see who was using the trip.

AN HONOURABLE MEMBER: The bingo players.

MR. NEARY: No, the bingo players got home on the ten past eleven o'clock trip. They are considered to be night owls but they got home ten after eleven o'clock. It was only a couple of young lovers, Sir, a couple of young fellows in heat who wanted to come over to St. John's. That is all that use that trip. It was a waste of money, Sir, a complete waste of money. I think myself that the experiment was doomed before it started.

It could have been a good thing, Mr. Chairman. It could have been a good thing if only the government and the minister had come down off their high horses and did what the Minister of Transportation and Communications and myself are doing today. We have re-established communications. The Minister of Transportation has mellowed considerably. I would say it is a definite improvement. I think that nothing but good will come out of the recent discussions that he and I have had on behalf of the people of Bell Island in connection with this ferry service.

I do not know, Mr. Chairman, but I think this would be a good time under this heading for me to express my appreciation to the Premier of this province for co-operating in trying to improve this ferry service. I think we should do more of this, Sir. Nothing, as I say, but good will come out of it.

In this particular instance there was no communications. It was merely a political device for the administration to try to get a little mileage, to try to upstage the member from Bell Island. Yes, Sir, that is all it was. It cost almost \$11,000 to try to upstage me, Sir. That is what they were up to.

MR. DOODY: He acted in good faith. He was a sincere man.

MR. NEARY: Who acted in good faith?

MR. DOODY: The honourable Minister of Transportation.

MR. NEARY: Well, then why did he not consult with somebody?

AN HONOURABLE MEMBER: The honourable member from Bell Island was not speaking to him then.

MR. NEARY: Oh. Well, my not speaking to the minister cost the taxpayers of this province \$10,500. Well, I am certainly glad that I am speaking to him now, otherwise it would cost us a fortune. I would bankrupt the treasury if I were not speaking to him now.

The experiment could have been a good one, Mr. Chairman. It could have been good if they had only consulted with the right people and put on the trips when they were needed. There is still a need there, Sir.

Now, I understand, Mr. Chairman, that the Government of Canada have written the Premier and the Minister of Transport has written the Premier asking the province to assume the jurisdiction for this ferry service.

My understanding is that the Government of Canada are not going to make an issue out of it at this time. They are not going to make an issue but they are trying to buy their way out of this service. I hope that the administration will not fall into a trap of taking over this service before a contract is let. I do not think, Sir, that the minister responsible is going to be so stunned as to assume the jurisdiction of this service before the Government of Canada, the Canadian Transport Commission or the Water Transport Committee let a contract guaranteeing an adequate service there that is in the best interest of the people of Bell Island. We do not have it now. We anticipate that in the next few weeks that we may get this service and get a replacement for the obsolete "Kipawo". So I hope the government will not be enticed by a few paltry dollars held out by Ottawa, by a carrot being held out by Ottawa saying "Look take over this service and we will give you this much money every year." I think they should let the contract first and then continue negotiations with the province to take over the service.

Even at that, Mr. Chairman, I think at the end of every year or at least every second year the amount of subsidy that is given the province should be reviewed annually because of the increase in the cost.

So, Sir, I would say that this \$10,000 was wasted, down the drain. It is unfortunate, there is nothing we can do about it now. We cannot get it back. But I hope in the future the administration will learn a lesson from this and not waste any more of the taxpayers money. Mr. Goldenberg, Sir, is certainly an expensive conciliator, \$6,212.50. He spent three days in the province, Mr. Chairman, then went back home. Where does he live? In Toronto?

AN HON. MEMBER: Montreal.

MR. NEARY: In Montreal. Went back to Montreal and wrote a report. For that we paid \$6,212.50. A little bit steep in my opinion, Sir. The job could have been just as well done by a Newfoundlander. We have people in this province quite willing and eager and able to do this kind of work. They may not have the name that Mr. Goldenberg has, Sir, but in a lot of

these cases all you need is a little common sense. We have a lot of common sense Newfoundlanders that could have done this job for about one tenth of the cost. But, no they had to go out, the administration had to go out, get the biggest in Canada, They had to get the biggest they could find, the most expensive they could find and they certainly did when they got Mr. Goldenberg. I have the greatest respect for Mr. Goldenberg but I do not think that was necessary, Sir.

Now, Mr. Chairman, we got another \$11,000 in here under the heading - tax. I think it was for dye the minister called it, dye to test heating oil, colour. They put dye in the heating oil or in the fuel oil, diesel oil, to see if people are using heating oil to operate their equipment. Is that what it is?

MR. CROSBIE: That is the new plan.

MR. NEARY: Or vice versa? Are using diesel fuel to heat their homes, Would this be so?

MR. CROSBIE: No. If they are going to use fuel to heat their homes they will buy the cheapest stuff which is the heating fuel. They are not going to pay twenty-five cents a gallon extra.

MR. NEARY: Well what is the minister objecting to? Is it construction companies using it or -

MR. CROSBIE: The honourable member wants me to answer?

MR. NEARY: Yes, I do not know enough about it to discuss it intelligently. Give me the information and then maybe I will.

MR. CROSBIE: I did not realize that by my giving a few of those amounts it was going to get the honourable Member for Bell Island going on a debate. The new scheme to stop tax avoidance is to dye furnace and stove oil because that kind of oil has the same chemical characteristics as diesel fuel but they paid twenty-five cents a gallon tax that the Liberal Government imposed some years ago on diesel fuel but they do not pay any tax - We took off the terrible, terrible, terrible, terrible Liberal tax on heating fuel. This we took off. We do not pay any tax on heating fuel. So people had a tendency to bring up the oil truck, fill up their

their diesel equipment with the heating oil. That costs them twenty-five cents less now they did not pay any tax. Now to avoid that, then it was difficult to catch them because when you dived into their tank you could not tell the difference between that and diesel fuel. But now the heating fuels will be dyed. Now there was always some dyeing done. That is why there is an amount for dye last year but not all the dyeing that should have been done. There was not enough dyeing done but we are going to do enough dyeing this year.

AN HON. MEMBER: Inaudible.

MR. CROSBIE: I probably will sometime - I must go sometime. As a matter of fact, I do not doubt that some day I will. In fact I feel about one hundred now.

Now with the new dyeing system we will be able to take a sample from the tank and if it is dyed we will know that it is a misuse of the oil and they did not pay the tax. We will be able to prosecute them. We figure that it may very well increase our returns from the gasoline tax by \$200,000 to \$500,000 this year.

The honourable gentleman just made a few silly remarks about Karl Goldenberg. He was brought in here and it was a stroke of genius on my part because I woke up one morning - I will tell the honourable gentleman now, I was concerned about the x-ray and lab technicians strike. Remember last summer they had a very trying time with the x-ray and lab technicians who were very upset and there were a lot of strikes on the go at that particular time. The Opposition, of course, were encouraging as much as they could. The honourable gentleman opposite was howling every day about it. I was concerned. So one morning I woke up around 5:00 A.M. I was trying to think what to do - we had asked the x-ray and lab technicians - we had offered to go to arbitration with them although you will recall they had signed, the whole matter was suppose to be settled and a collective agreement was ready to sign. We offered to go to arbitration and they said, "No." Because they were suspicious even of arbitration. As I said, one morning about 5:00 A.M., because I am always attentive to my public duties, Mr. Chairman, even when I sleep, I

woke up at 5:00 A.M. this morning and the name Karl Goldenberg popped into my mind. Now some honourable members wake up you know with different characteristics but Karl Goldenberg popped into my mind on this particular occasion. I thought, By golly! I wonder if we suggested Karl Goldenberg to the lab and x-ray technicians would they agree to him being the sole arbitrator. I came back to the building, consulted my conferees. The Hon. the Premier, he thought it was a good suggestion, got on the phone to Mr. Goldenberg, Senator Goldenberg. In the meantime, we asked the x-ray and lab technicians and NAPE would Karl Goldenberg be suitable. He is known throughout the labour movement and everywhere in Canada. A tremendous man in this field for the last four year, God knows how many strikes he has arbitrated and mediated and settled; trusted by management and labour. They came back immediately and said; "Yes, if we could get Senator Goldenberg back as sole arbitrator, we would go back to work and go to arbitration."

So Senator Goldenberg's fee was \$6,200, a very small expense to pay for the successful conclusion of that situation which was not only costing the province and the hospitals tens of thousands of dollars in money a day but endangering the lives of patients and making health care riskier and all the rest of it.

So how much work was involved for the Senator, I do not know. He was down here for three or four days, Then he had to work on his own in Montreal. He had to prepare his report and all the rest of it. So if we are going to get a high calibre man, recognized throughout the country, one who is trusted by both sides, some times we had to go outside of the province. There was not anybody within the province at that stage that we could suggest to the x-ray and lab people that they would have accepted. Senator Goldenberg, him they knew of and trusted and accepted.

AN HON. MEMBER: Inaudible.

MR. CROSBIE: We accepted arbitration, as I just told the honourable gentleman. We would have gone to arbitration with them and they said, no they would not even go to arbitration and they only agreed to go there when we suggested Senator Goldenberg as the arbitrator.

Now, Mr. Chairman, we naturally prefer to choose arbitrators or anyone else from within the province when they can do the job, when they are available.

The other matter that the gentleman spoke on for Bell Island, I was pleased to hear his explanation of what he thought that had resulted in. Because quite frankly the Treasury Board suspected the same thing. It was an effort to improve that service. The Minister of Transportation has it very much in his mind to do all he can to improve the transportation link between Portugal Cove and Bell Island. A vote of thanks, I think, is due him. I am glad to hear the Member for Bell Island praise the Minister

of Transportation. Carried? Okay.

MR. NEARY: Sir, not - go ahead.

MR. GILLETT: Concerning the dyeing of the diesel and our stove oil, I am wondering how extensive the inspection is going to be and if the minister would tell the committee whether that survey or that inspection is going to extent beyond truckers?

MR. CROSBIE: I really cannot tell the honourable gentleman. We have more gasoline tax inspectors and we have regional tax offices now, so hopefully there will be considerably more inspection done. How far it is going to get beyond the truckers, I really do not know. If there be anything in particular that he should want me to look up or check I shall do it for him. . .

MR. GILLETT: I have been told that some of the - I would not say the yachts owned by wealthy men out in Long Pond, Manuels, but some of the diesel boats out there are using the furnace oil that the owners drain from their furnaces or from the tanks. They charter their boats even, I believe, for tuna fishing and what not.

Now this is just a hearsay on my part, so I cannot speak from firsthand information but -

MR. NEARY: I am getting my buddies in trouble here.

MR. GILLETT: It is possible that more than the truckers, who are trying to make a livelihood with their trucks, are using this tax-free fuel, Mr. Chairman.

MR. CHAIRMAN: Shall 01-04 carry?

MR. NEARY: Mr. Chairman, I want to ask the minister if he can - Would the minister tell us if there has been any convictions under this particular act? Because last year there was \$11,000 spent putting dye in, colouring in the furnace oil and in the diesel fuel. This year there is going to be \$50,000 spent on it. Is there any real evidence that this is happening? Have there been any real convictions?

MR. CROSBIE: There have been prosecutions and convictions, Mr. Chairman, I cannot remember how many - not as many as there should be. But one of

the advantages of doing this, one will be that the fact that it is done will discourage people from attempting to do this. It is a deterrent.

AN HON. MEMBER: Inaudible.

MR. NEARY: A deterrent.

Mr. Chairman, I wonder if the minister could tell us, under the Classification Appeals Board there is \$21,000 here, would he tell us who the members of this board are now? And how much they get paid for a meeting? How much the Chairman receives and the individual members of the board?

MR. CROSBIE: I doubt if I can remember all the names right off, Mr. Chairman. When that board was appointed all the names were announced. I am sure that the member in his capacious files will have their names. The Chairman is Professor Facey-Crowther.

MR. NEARY: Who?

MR. CROSBIE: Professor Facey-Crowther.

MR. NEARY: A good Newfoundland name. Is he from Lance Cove or Ming's Bight or where?

MR. CROSBIE: He is right from the "Tickle".

MR. NEARY: Right from the "Tickle", is he?

MR. CROSBIE: I am not sure where he is from but -

MR. NEARY: He sounds like a baywhop all right.

MR. CROSBIE: He is a member of the staff at Memorial University.

MR. NEARY: I see.

MR. CROSBIE: He has done a good, first-class job on the Classification Appeal Board which was suppose to have been set up a year and a-half before it was set up, but there had been a lot of delay on the part of the previous administration. There was a lot of difficulty finding someone to head it up. We did find Professor Facey-Crowther and he has done a first-class job.

Now there is another - Yes, I think it was \$50.00 a meeting. One of the members is Mr. Fred Anderson and the representatives of the ladies, I forget the lady on the board. Those are the only two names I can remember at the moment. But it is no secret. I am looking at the wrong sheet here, Mr. Chairman. I am having trouble with my sheets.

The right professor but the wrong sheet. Fifty dollars per meeting for the Chairman and the members get \$35.00 per meeting. Now that is under the old system. We have revised that now. I had the whole thing here the other night but they never got down to business, now I have lost that note.

MR. NEARY: Sir, the professors over at the University do they do any teaching or are they all moonlighting now, making a buck on the side?

AN HON. MEMBER: Inaudible.

MR. NEARY: No, no.

MR. CROSBIE: Yes, I am glad. The university is not the only one in which people draw for assistance. I believe at the Technology College there is a gentleman on the staff, Al Green, who does extensive consulting work for the Member for Bell Island.

MR. NEARY: No, he does not. He does not get paid for it, if he does.

MR. CROSBIE: Extensive consulting work.

MR. NEARY: No, he does not.

MR. CROSBIE: I do not know whether he gets paid for it or not but I am just pointing out that it is not only the university -

MR. NEARY: There is a fellow by the name of Grant Chalker who does extensive consulting work for us too, he is on Crosbie's payroll.

MR. CROSBIE: I do not know where he is. He is not in the public service.

MR. NEARY: Oh, he is not, is he?

MR. CROSBIE: At Memorial University there are a number of staff -

MR. NEARY: Mr. Green is not a public servant either, by the way.

MR. CROSBIE: Mr. Chairman, I must ask that you permit me to continue uninterrupted by "he" until I sit down and "he" can speak. Now at the University there are a number of valuable people who from time to time are asked by government to assist in some particular area where their skills are of -

MR. NEARY: No Newfoundlanders can do it eh?

MR. CROSBIE: Dozens of them Newfoundlanders; some of them are not Newfoundlanders. We do not have a policy of not employing a non-

Newfoundlander. God knows there are tens and twenties of thousands of Newfoundlanders on the Mainland working and down in the U.S. Where would we be if the people down there said that they are not going to give jobs to non-New Yorkers or non-Ontarioians and all the rest? I mean, do not be so silly. If the honourable gentleman think that is going to get him anywhere, forget it! It is going to get him nowhere.

Now he asked about a Newfoundlander - There is a Howard Dyer, for example, Dwyer or Dyer, did a job for us in Buchans.

MR. NEARY: We would like to see that report, by the way.

MR. CROSBIE: He will see the report. He has a report that he gave the press that he was not suppose to give the press.

MR. NEARY: Who was that?

MR. CROSBIE: The honourable member opposite went and leaked to the "Daily News" and the press a certain report on forestry, five pages of which were not suppose to be released. So we will be very careful about what reports we give honourable gentlemen opposite in the future. Yes, the report was given to the Leader of the Opposition with no pages removed, on the grounds that those pages be kept, they not be released, those pages. The honourable gentleman for Bell Island, as I understand, went and gave them to the press.

MR. NEARY: The honourable members understand but he is not sure.

MR. CROSBIE: I am stating what I have heard, the honourable gentleman can deny it and if he do -

MR. NEARY: Mr. Chairman, a point of order, Sir. I ask the Minister of Finance now, Sir, to either put up or shut up, lay a charge, Sir, or withdraw his statement.

MR. CROSBIE: Mr. Chairman, lay a charge? I am not going to lay a charge but I am just going to repeat - I have stated what I had been told and if the honourable gentleman wish to deny it, I shall accept his denial.

MR. NEARY: Mr. Chairman, on a point of order, Sir. I do not have to deny anything that is McCarthyism, Sir. If I denied it, all I would do,

Sir, is reduce the number of suspects by one, and I have no intention of doing that, Sir. I ask you to ask that minister to withdraw his remarks, Sir. It is slanderous and libelous and is McCarthyism of the worst sort. It is not true.

MR. CHAIRMAN: (DUNPHY): Order, please! The Chair feels that there is no point of order there. The Hon. Minister of Finance is merely stating an opinion of hearsay. There is no slander nor libel there. There is no point of order there.

MR. NEARY: Mr. Chairman, there is a point of order. Mr. Chairman, a point of order, Sir. I am raising a point of order that the minister did make certain allegations, Sir, and certain innuendoes and snide remarks and I ask the minister to put up or shut up. He has to either lay a charge, Sir, or withdraw his libelous, slanderous statements; one thing or the other, Sir.

MR. CROSBIE: Mr. Chairman, on that point of order. I have no intention of withdrawing anything of the sort. I have said that I have been informed that the Forestry Report given to the Leader of the Opposition, which contained pages, five pages I think were removed, that they were not suppose to be made public. It became somehow accessible to the Member for Bell Island who made those pages available to the press. I have said that if that be incorrect; if the honourable Member for Bell Island state that it is incorrect well I shall accept it. If he should say it is not a fact, he did not do it, I shall accept it. That is where the matter rests as far as I am concerned.

MR. NEARY: I will deal with it when he has finished.

AN HON. MEMBER: Inaudible.

MR. NEARY: Yes, I could.

MR. CROSBIE: Now I have forgotten where I was -

MR. NEARY: Making slanderous and libelous - Mr. Chairman, in connection with the Forestry Report, Sir, that the honourable gentleman just referred to. You will notice the minister was very careful, Sir, very careful not to lay a charge because the minister has no proof, Mr. Chairman, no evidence, all he based his case on was hearsay, no proof

at all, Sir, of who released the censured documents to certain portions of the media. What the minister did, Sir, he stood in this House and he abused the privilege of this House by making innuendos, insinuations and snide remarks that the Member for Bell Island released the report to the "Daily News." That is what the minister said.

Now, Sir, if I denied it, all I should do would be to reduce by one the number of suspects in this honourable House. I challenge the Minister of Finance now, Sir, to do exactly the same thing that he did in the case of poor, old Joey Smallwood over on Roaches Line and employ the investigative arm of the R. C. M. P. -

MR. MORGAN: A point of order, Mr. Chairman.

MR. NEARY: What is the point of order?

MR. MORGAN: Sit down and I will state it.

Mr. Chairman, we are debating 406-04. We are not debating the forestry report and parts of the forestry report. I feel that the Hon. Member for Bell Island is not relevant to this debate.

MR. NEARY: That is not a point of order, Mr. Chairman. I cannot answer the charges that have been made, slanderous, libelous statements made by the Minister of Finance? What does the Human Rights' fighter think down there? Does he think that we are all going to be muzzled in this House?

MR. MORGAN: Mr. Chairman, there is a point of order on the floor.

MR. NEARY: It is not a point of order, Sir. There is no point of order there, Mr. Chairman. The member should learn the rules of the House.

Employ the investigative arm of the R. C. M. P., Sir, and send them around to the homes of the members of this honourable House.

MR. MORGAN: Mr. Chairman, on my point of order.

MR. NEARY: What? There is no point of order.

MR. MORGAN: Mr. Chairman, we are dealing with 406-04 and we are not debating the forestry report.

MR. NEARY: The Minister of Finance should -

MR. MORGAN: We are not debating -

MR. CHAIRMAN: (Mr. Dunphy): Order please!

MR. MORGAN: We are not debating, Mr. Chairman - may I make a point of order, Mr. Chairman? May I make a point of order, Mr. Chairman?

MR. NEARY: It is not a point of order, Sir. Sit down.

MR. MORGAN: Mr. Chairman, may I make my point of order?

MR. CHAIRMAN (Mr. Dunphy): Things seem to be getting a little out of hand here.

Whether or not the statements by the Hon. Minister of Finance are in fact true, whether they are libelous, slanderous or what have you, we feel that the Member for Bell Island has the right to possibly answer these statements or to defend himself. However, I would suggest that he not dwell on it too long and that we get back to the estimates.

MR. NEARY: Thank you, Mr. Chairman. I have no intention of prolonging this debate, Sir. I was just challenging the Minister of Finance to employ the investigative arm of the R. C. M. P. and go to the homes of members of this House and get into their briefcases and into their kits to find out if these documents are there. Instead of doing that, Sir, the minister gets up and makes some sly, snide remarks about the Member for Bell Island.

Mr. Chairman, I have already said that if I denied it, (There is no fifth amendment in this province, Sir.) all I would do would be to reduce by one the number of suspects in this House and I have no intention of doing that. There are forty-two other suspects. Are they all going to deny it? Is the minister going to deny it?

MR. MARSHALL: I will get up and deny it.

MR. NEARY: Well, get up and deny it.

MR. MARSHALL: I deny that I gave anything of the Forestry Report and I think I speak for everyone here. Does everybody deny it?

SOME HON. MEMBERS: Deny! Deny!

MR. MARSHALL: Everybody denies, all right. Now we have narrowed it down.

MR. NEARY: Sir, if the minister and his colleagues are prepared to put it to the test by sworn affidavits to the R.C.M.P., the same as they

did to poor old, Joey over there when they raided his House, Sir, I am quite prepared to put it to the test, Mr Chairman.

AN HON. MEMBER: (Inaudible).

MR. NEARY: I would say, Mr. Chairman, that no one but no one on the government benches or on the opposition benches for that matter has the right to withhold information from the people of this province, especially information concerning their future. Sir, what would happen if a year from now there were a slump in the labour market or two years or three years from now there were a slump in the labour market and Corner Brook either partially closed or closed down altogether and Price closed down and the people out there discovered that the government were sitting on a report and they would not give the information to the people and they could not plan their future, sitting on a report for three, five, seven, eight or ten years? Why if I were living in Corner Brook, I would lynch the members of that government for not giving me that information. They would deserve to be lynched. I am prepared at any time, Mr. Chairman -

MR. CHAIRMAN (Mr. Stagg): Order please!

Maybe the honourable gentleman might take note that we are dealing with 406-01-04, which is \$145,000 directed to the category, "Other" to be voted for this year's estimates. He is debating a matter which was covered in last year's estimates. It has no relevance to the \$145,000 being voted this year. He certainly has had sufficient time in which to make his point.

MR. MARSHALL: Mr. Chairman, with due respect, of course, to your ruling, as far as we are concerned, we are quite prepared to give leave of the committee to hear the honourable gentleman's apology if he should wish to give it.

MR. NEARY: To that point of order, Sir. We are discussing 06-04, Sir, "Other" and I do not need any leave of the committee, Mr. Chairman. I can speak in this committee by right. We are discussing \$145,000 this year and \$125,000 last year under the same heading, Sir. We have a right. We do not have to get leave of the committee, Sir, to discuss this. These two

items are discussed together, Mr. Chairman. Could I have a ruling on this, Sir?

MR. CHAIRMAN (Mr. Stagg): As a matter of courtesy, I will stand and speak to the honourable gentleman again. The ruling has already been made. The honourable gentleman is getting into the Forestry Report. The honourable gentleman, as far as the Chair is concerned, is dealing with the substance of the Forestry Report, what it contains and the possible implications which is irrelevant to 406-01-04.

MR. NEARY: Mr. Chairman, the minister brought the matter into this debate. I will end up by saying, Sir, that the man who released these four pages should be decorated. He should get the distinguished Order of the British Empire for giving the people out in Corner Brook and Grand Falls information that the administration was trying to hide, trying to stow away in the deep, dark closets of this building. The people had a right to know it, Sir.

What was I talking about before -

AN HON. MEMBER: The Bell Island Ferry.

MR. NEARY: No, I was not. I was talking about something or other. What was it? I do not remember now. It does not make any difference anyway, Mr. Chairman. Let her go!

MR. CHAIRMAN: On motion 406-01-04, carried.

MR. NEARY: Mr. Chairman, on 406-03: I presume this grant of \$27,000 to the St. John's Trotting Park, Sir, is money that has already been collected from the St. John's Trotting Park under the parimutuel betting system they have down there and this is money that has just been refunded under an agreement similar to the ones that they have in the other provinces of Canada. This is not a grant, say, out of the Public Treasury. This is not a grant of the taxpayers' money to the St. John's Trotting Park, at least I hope not. It is money that has already been collected but they are just refuning a part of it to them, is that what it is?

MR. CROSBIE: That is correct, Mr. Chairman, in essence. It represents approximately seventy-five per cent of the parimutuel tax collected. It

was fifty per cent but the St. John's Trotting Park made submission to us that they needed more of the revenue and we increased it to seventy-five per cent. That is why the amount has increased this year. It has been used in the first instance to reduce the government guarantee, debenture debt. The government in previous days guaranteed a loan for them -

MR. NEARY: (Inaudible).

MR. CROSBIE: For the St. John's Trotting Park. I forget the amount now - and had to make payments on it. This money that

they are getting back is going against that guarantee and loan. So for a while it is going to go to pay that off. That is where the money comes from.

MR. NEARY: Mr. Chairman, the Trotting Park I think borrowed some money. I know government guaranteed a few years ago. Are they meeting the principal and the interest on this?

MR. CROSBIE: They have not been but they are now.

MR. NEARY: They are meeting it now. Have they paid any of the arrears or is it up-to-date?

MR. CROSBIE: Yes. You know some of this is going towards meeting the arrears.

MR. NEARY: Okay then in that case, Mr. Chairman, the \$27,000 is not actually going back to the Trotting Park. Some of it will be applied against the arrears.

MR. CROSBIE: Yes. We insist that they are paying back the arrears.

MR. NEARY: Well, where will it be shown in the records.

MR. CROSBIE: It will be in the public accounts somewhere I guess.

MR. NEARY: Okay.

On motion 406-03, carried.

MR. MARTIN: 406-04 Mr. Chairman, first of all what buildings are we discussing here under Hire Purchase Agreements? Is it a normal sort of an arrangement where the government pays for the insurance or are there other agreements whereby the companies from whom we are hiring and purchasing are paying some of the insurance premiums?

MR. CROSBIE: Mr. Chairman, these are the buildings that were built under the lease back system. One of the buildings is the Newfoundland Liquor Corporation Building. One is the Confederation Building. Another one is the Janeway Children's Hospital. There is a Grace Hospital extension and Memorial University. There are some buildings covered under a subscription policy.

Now these buildings were done on a lease. For example, this building here is owned by, I do not know what the company -

The Newfoundland Government Building Corporation Limited. The title to that building is in the corporation. The Government of Newfoundland leases the building from the building corporation. It has to pay every year in rent an amount sufficient to meet the principal and interest and any other expenses of the building corporation. At the end of twenty years I think it is, or it might be twenty-five, the Newfoundland Building Corporation will have to convey to the government this building because it will be all paid for.

But the Newfoundland Government Building Corporation Limited is totally government owned. It is a Crown Corporation. There is no private interest owns that building. The deal originally was put together by Hansen & Hansen in that particular case, who arranged the financing and arranged the whole thing. Once the buildings are constructed and so on and the project is concluded then all that happens is that there is a building corporation owns the property. The government makes the lease payments which have to be sufficient to meet the principal and the interest and the other expenses.

Now it is a condition of the mortgages that the government has to keep the buildings insured to the amount of the mortgage and there is a mortgage on all of those buildings. So that is why this amount has to be paid out in insurance premiums on the hire-purchase buildings. Insurance policies on these buildings are three year policies and they are placed with the following insurance agents: Crosbie and Company Limited, R.C. Anthony Insurance Limited, Harnum Insurance Agencies Limited and Johnsons Limited. I might add that these policies were placed with these agents before this administration came to power and the policies were for three year periods. I do not know when they come up. They probably come up sometime this year. These are the four brokers that look after the insurance on those buildings. I do not know if that explains the situation.

MR. MARTIN: Just one point for clarification, Mr. Chairman, presumably

as the mortgage decreases then so will the amount of insurance that is necessary to be paid under this. I am not quite clear on this. It seems like quite a small amount paid for such a large number of buildings, so presumably there are other hire-purchase agreements wherein the government does not have to pay the insurance premiums. Is this correct? How do we get away with \$3,800?

MR. CROSBIE: That is the annual cost of the insurance on those particular buildings. That is I suppose the best premium you can get out of them. One has to remember that they are only covered for the amount of the mortgage and the amount of the mortgage is declining every year as principal and interest payments are made. So \$3,800 a year, that covers a lot of property. One can insure a lot of property for that. These are the only insurance premiums that I know are being paid.

MR. NEARY: Mr. Chairman, we are on a subject now of course with which the minister is most familiar, Sir, because the minister at one time was President of Newfoundland Lease Back.

MR. CROSBIE: No. No. No.

MR. NEARY: Yes, President of. There is the father, Sir, of lease-back in this province, the Minister of Finance. They say Joey Smallwood was.

MR. CROSBIE: Thought it up.

MR. NEARY: He thought it up. The Minister of Finance thought it up.

MR. CROSBIE: Brilliant.

MR. NEARY: It is the minister's godchild. He knows all about lease backs because he was President of Newfoundland Leasebacks; one of the companies he allegedly disposed of when he became a member of the Smallwood Cabinet.

But, Sir, apart from the buildings that the minister listed, Newfoundland Lease Back to my understanding also financed the Bell Island Hospital because I happened to be in the Premier's office one day, Sir, when the minister was practicing law downtown and the Premier sent for

him, "John can you come up to my office?" John must have broke all the traffic speed limits in St. John's getting up to the Premier's office. There was a delegation from Bell Island sitting around there. "John can you finance the Bell Island Hospital?" "Yes, Mr. Premier, indeed I can. Yes, Sir," bowing and scraping and genuflecting. "Can you finance the hospital in Baie Verte?" "Yes, Sir, yes, Sir."

AN HON. MEMBER: Is that where they removed your brain?

MR. NEARY: "Kiss your foot, Sir? Yes, Sir." No criticism of Joey then when they were lashing out to Lease Back, agreements or contracts. No, Sir.

But what happened? Is the Bell Island Hospital not included in this? Is there no insurance coverage for the Bell Island Hospital? The mortgage is not paid off yet.

AN HON. MEMBER: Burn her down.

MR. NEARY: Burn her down?

AN HON. MEMBER: Yes.

MR. NEARY: Is that what the minister wants to do, burn her down?

MR. CROSBIE: When the honourable gentleman sits down I -

MR. NEARY: What about the hospital in Labrador City? What about the hospital in Baie Verte? What about all the other buildings that were put up? The residences over here at the university put up by Lease Back? I do not know but the Arts and Culture Centre is involved - Newfoundland Engineering. What about all these buildings? Are they covered or do we get anything back if they are burned down? Could the minister enlighten the committee and tell us? The minister is certainly familiar with this subject. If he knows anything he knows this.

MR. CROSBIE: Mr. Chairman, I will enlighten the committee and also the honourable leak opposite, the honourable gentleman who leaks.

MR. NEARY: I would like to leak all over the minister.

MR. CROSBIE: The honourable gentleman is the biggest leak in the building, from the Forestry Report on down.

Now, Mr. Chairman, as I said when I was answering the question

of the member for Labrador South, it covers Newfoundland Liquor Corporation, that is the building on Kenmount Road, the premium there is \$2,100, Confederation Building - the premium is \$6,600, the Janeway Children's Hospital - \$1,600, the Grace Hospital - \$8,500, Memorial University - \$6,600 and various buildings covered under a subscription policy - \$12,600.

MR. NEARY: What are they?

MR. CROSBIE: The various buildings presumably you would include the Bell Island Hospital, the College of Trades and Technology, there are five or six vocational schools, there is Baie Verte Hospital, the hospital up in Labrador City. So they would be included in these.

Now it may be that these are premiums paid every three years you see. No, these are annual installments on three year insurance policies. So it covers the various lease-backs. The honourable gentleman should be familiar with them all. They are all listed in the public accounts here,

have been for years. There is a list of them here somewhere. Yes, here they are, Bell Island Hospital Building Corporation Limited, BLC Building Corporation Limited, Corner Brook Hospital Building Corporation Limited, Feed Mill Building Company Limited.

MR. NEARY: All Newfoundlanders?

MR. CROSBIE: Gander Hospital Corporation Limited, Grace Hospital Extension Corporation Limited, Grand Falls Hospital Corporation Limited, Hotel Buildings Limited, Newfoundland Government Building Corporation Limited, Northern Hospitals Building Corporation Limited, Nurses Training School Building Corporation Limited, Provincial, no, that would be the oil refinery one, St. John's Infirmary Building Corporation Limited, the old age home over here, Technical College Building Corporation Limited, Vocational Schools Western Building Corporation Limited, all of them built and constructed before 1966 under lease-back arrangements.

Mr. Chairman, I have nothing to hide, never had anything to hide about my connection with the company which was called Lease Back Projects Limited, get the name right, and it was owned by Crosbie and Company Limited, not owned by me, an excellent firm which did an excellent job for the Province in the lease-back era with respect to four or five of those buildings. I acted as lawyer for them on them. There is nothing to be ashamed of in that, nothing to apologize for. They did not do any of that kind of work after I joined the Smallwood administration not did anyone else because the lease-back scheme was given up in 1965 at the urging of fiscal agents of the Newfoundland Government who said that the government should borrow by itself only and not have other people out borrowing on such arrangements as that.

So that is the position on the lease-backs and these are insurance premiums on those buildings required by the mortgages.

MR. NEARY: Mr. Chairman, some time ago an honourable member, I believe it was the member for Labrador South, asked to have all of the lease

back agreements tabled in this honourable House. I wonder if the minister would indicate whether it is his intention to table these agreements. I think the minister told me once already that he spoke to the member outside the House and the member said that in view of the conversation that they had that it was not necessary now to table the lease-back agreements. The member for Labrador South says, "No, that is not so."

Will the minister table the agreements? I have never seen copies of them. I would like to have them tabled in the House, Sir. Will the minister now undertake to do that?

MR. CROSBIE: Mr. Chairman, if the member for Labrador South -

MR. NEARY: I want them.

MR. CROSBIE: Never mind the honourable gentleman. The honourable gentleman was a member of the government for three years and had full access to them. If the member for Labrador South or really any member want them tabled, I guess they can be gotten. There must be copies somewhere to be tabled.

MR. NEARY: All right! Will the minister table them? Will the minister undertake to table them?

MR. CROSBIE: Does the member for Labrador South want them?

MR. NEARY: I want them.

MR. CROSBIE: It will not do the member for Bell Island any good because he will not understand them but the member for Labrador South may be able to.

MR. NEARY: Mr. Chairman, I have an interpreter. I would ask the minister now in all sincerity to have these agreements tabled.

MR. CROSBIE: Sure, he had access to them for three and a half years. He was a member of the government.

MR. NEARY: Mr. Chairman, the minister is evading the issue. Will the minister table these lease back agreements?

MR. CROSBIE: If I have a request from any honourable gentleman.

MR. NEARY: I now request, Sir. I now humbly, formally request. I request the Minister of Finance to table the lease back agreements.

MR. CROSBIE: I am not going to table. May I deal with that?

MR. NEARY: Alright.

MR. CROSBIE: If there be any genuine request or wish by the opposition or anyone in the opposition for copies to be gotten of these documents, most of which or all of the mortgage agreements are in the registry of deeds, then we can get them, No problem if the member for Labrador South still want them, if he affirm that.

MR. M. MARTIN: Yes, I think I would like a clarification on this point because it very well may be that as a result of our conversation outside the House that there might be some confusion. I did speak with the honourable Minister of Finance regarding this matter. I did not say that I was satisfied with his answer. I may have very well left him with that impression but I would, in view of the conversation that has just taken place here I would like to reaffirm that I still want the answers to the questions which I placed on the Order Paper on Febraury 27, that the government should table copies of all agreements made between the Provincial Government or any of its crown corporations and Lease Back Projects Limited for two specific reasons; (1) To identify the company or companies into which Lease Back Projects Limited has been subsumed; (2) To state the amount or amounts paid to such company or companies during the past fiscal year in lieu of earlier agreements made with Lease Back Projects Limited. These two things would clarify the whole matter.

MR. CROSBIE: Mr. Chairman, I can answer that question now. There have been no payments made to Lease Back Projects Limited or Lundrigan or Lundrigan Limited or any of those companies in the last fiscal year, none. I doubt whether there has been any payments made to them since probably 1966. So that information I can give the honourable gentleman now. If he should want copies of these things then I shall get copies for him.

MR. NEARY: I thought, Mr. Chairman, that the minister would undertake

to table the copies because we in the opposition, the official opposition, also would like to have copies of these agreements.

Sir, I wonder if the minister could tell us before this item passes, if any effort have been made to renegotiate any of these agreements because this administration when they came to power, Sir, said they were going to renegotiate every agreement, they were going to open her up, every agreement that was negotiated by the former Liberal Administration. I would like to ask the minister now if there has been any attempt on the part of the administration to reopen or renegotiate any of these agreements with Projects Lease Back Limited? If so, what was the results?

MR. CROSBIE: Mr. Chairman, this is pure nitwittery. There has been no attempt to negotiate anything with Lease Back Projects Limited or Lundrigans Limited with the exception of the money that Lundrigans Limited owed to Vocational Schools Western Limited for about ten years that the auditor general reported on every year. We have collected that or most of it. Hansen and Hansen Limited or any other company that was involved in lease backs, these were all entered into at least eight years ago at the earliest and there is nothing to renegotiate. All that is left now is a building owned by a building company with a mortgage on it that must be paid off through rental payments. There is nothing to negotiate. There is nobody to talk to and those companies are not even around any longer. Hansen and Hansen Incorporated disappeared from the scene. They are not required to be here because this building is here. The building is here. There is a mortgage on it. There is rent to be paid, principal interest to be paid and that is all that happened. Mr. Harry Dunstan looks after it all as he has for the government since 1966 and it is the same still with all of those. There is nothing to renegotiate.

MR. NEARY: Mr. Chairman, I cannot follow that at all because if Lease Back Projects, Sir, do not exist then who do they pay their money

to? Do they pay it to Crosbie and Company? Does the minister take the cheque and put it in his pocket or go down to the bank and deposit it? There must be a company. There has to be. The agreement is with Lease Back Projects Limited.

MR. CROSBIE: Mr. Chairman, look, will the honourable gentleman listen to the explanations? I do not know whether he is deliberately being stupid or what. Take this building right here that we are in now, Confederation Building is owned by Newfoundland Government Building Corporation Limited. That company was incorporated by the Government of Newfoundland. It is a crown corporation. Its directors have always been members of the cabinet and its shares have always been owned by the Government of Newfoundland. That company has title to this building. The Government of Newfoundland itself entered into a lease, and leases from Newfoundland Government Building Corporation Limited this building and under that lease the government must pay its rent, an amount sufficient to pay the principal and interest on a mortgage that is on this building, that originally for an amount of some \$8 million. It has to pay any other expenses that this building corporation has. It has none other except perhaps fire insurance, which is being direct.

Now Hansen and Hansen who put the whole thing together and who constructed the thing and who did the whole thing have no further connection with it. Once the building was built and it was furnished and occupied, Hansen and Hanses disappear. They had done their job.

AN HONOURABLE MEMBER: They have to get paid.

MR. CROSBIE: Now there is left. He was paid by Newfoundland Government Building Corporation Limited. He arranged for someone to lend Newfoundland Government Building Corporation, say \$8 million, and that was sufficient to pay for the building in those days and to furnish it and whatever had to be done. Then Newfoundland Government Building Corporation paid Hansen and Hansen these fees for financing. They paid Ross Whitney, whatever the company was, the cost of constructing

it and they paid for the building. He got paid his fees and so on and so forth by the Newfoundland Government Building Corporation Limited. The thing is completed and that is it.

Now what is left is this building here owned by a crown corporation being paid for by the government. That is the same with -

MR. NEARY: So, Crosbies got their money out of lease-backs and dissolved the company.

MR. CROSBIE: Exactly.

MR. NEARY: Okay. Well that is all I asked.

MR. CROSBIE: That is the same with the nurses training school down here or the technical college here.

MR. NEARY: That was Newfoundland Dehydration down there. That is what saved the honourable minister's scalp.

MR. CROSBIE: Oh! Yes! It really saved my scalp.

MR. NEARY: Oh, yes! I could tell him a story about that one too.

MR. CROSBIE: He could tell a lot of stories, I know. That is the same with all the rest of these lease backs. So they are all owned by crown corporations.

MR. M. MARTIN: I do not pretend to know all of the finer details of financing and accounting but

if the minister could just explain very briefly what is the advantage of setting up a special crown corporation to build such a building or for having the Department of Public Works for instance do the same thing?

MR. CROSBIE: Apparently in those days the government of the day thought there was an advantage to it. Now what advantage they thought was to it, I do not know. It was in 1957 or in 1958 that they started on this scheme of financing. Some of the advantages were supposed to be that the financing was being arranged by other people, that they presented a whole package which included designing the building, seeing it was constructed, arranging the financing, getting the architects, all of those things were arranged by the people who arranged the lease-back. That apparently was thought by the government of the day to be of some advantage.

AN HON. MEMBER: (Inaudible).

MR. CROSBIE: Well, there is no capital outlay for the government. The government did not have to borrow the money and it did not have to include it in the estimates or anything of that nature nor did Public Works have to do anything but check on what the project managers were doing.

Now as I understand it, in 1965 the fiscal agents of the government, A. E. Ames, were gotten (the government were having difficulty borrowing) and recommended to the government that they stop this method of building and financing because there were too many different people going out to borrow money on the credit of the Newfoundland Government. In addition to the government going out to borrow itself, there might be somebody going out to borrow on lease-back, which is really the credit of the government as I have explained, that that is how the thing operates. There might be two or three out trying to sell bonds on lease-backs. They were financing equipment through the banks and through people who sold the equipment. There were about a dozen different ways that things were being financed. They told them that the Newfoundland Government's credit was going to be in an awful mess unless they stopped all that, with just the

government doing borrowing itself direct. There were two exceptions:

(1) The Newfoundland Municipal Finance Corporation, which would borrow for municipalities and (2) The Newfoundland Industrial Development Corporation which was supposed to borrow under government guarantee for industrial purposes. That is the system to the present day.

MR. MARTIN: I take it then that as a matter of policy this government does not enter into this particular type of higher purchase agreement. Is this correct?

MR. CROSBIE: That is the position to date.

Now there is a regional college over in Corner Brook.

AN HON. MEMBER: A lease-back.

MR. CROSBIE: I do not know much about it but I will tell the honourable gentleman what I do know. There is a regional college being built in Corner Brook and there is some kind of a lease arrangement. That is right.

MR. NEARY: Mr. Wes Andrews -

MR. CROSBIE: Mr. Wes Andrews or some company that he is connected with are supposed to be doing the project. That is going to be built and leased by the builder to Memorial and to the Government. The difference between that and these original lease-backs that we are discussing here is that title does not pass to the government. The government do not pay all the principal and interest and so on on a bond issue and automatically get title in twenty or twenty-five years. They can either continue to lease it to the government or the government will have an option to buy. That is as I understand how it is going to be done. They will charge so much a year rent or the government will have an option which it can exercise over some period of time to buy at a certain price. So it is not the same kind of an arrangement as this nor will there be a government crown corporation involved nor anything like that. They will build and rent a building to the Government or Memorial.

MR. NEARY: Is this a new policy?

MR. CROSBIE: It sounds like it is new to me.

MR. CHAIRMAN: On motion 406-04, carried.

MR. NEARY: Mr. Chairman, on 406-05, that one is certainly not carried.

MR. THOMS: Mr. Chairman, this is quite a substantial vote here for \$170,000 for the Silver Anniversary of Confederation. I note there are various votes in various departments more or less hidden away hoping to get by but this one is certainly not and there are several others. Mr. Chairman, we would like to know exactly what this \$170,000 is being spent for. I trust that the Finance Minister has a list because in this particular vote I am very interested. If I had that \$170,000, I could easily put a nice water and sewer system in one of the communities of my district that has been to see the Minister of Municipal Affairs today and I am sure he would be quite happy to take it and use it for that purpose also.

SOME HON. MEMBERS: Hear! Hear!

MR. THOMS: Mr. Chairman, \$170,000 would go a long way towards solving the problem.

MR. CROSBIE: Mr. Chairman, I want to set the honourable gentleman's mind at rest or I hope I shall. That is \$170,000 expenditure and as against it one might notice that there is going to be related revenue of \$156,400.

MR. THOMS: Where is that coming from?

MR. CROSBIE: Now just wait. Do not be too impetuous. Just see if I can give the honourable member a satisfactory explanation. Although I do not think so, I probably can.

Now the expenditure is the cost of first, 170,000 medals one and one-quarter inch, nickel alloy.

MR. THOMS: One hundred and seventy thousand medals?

MR. CROSBIE: Yes, 170,000 of them.

AN HON. MEMBER: Blessed by the Pope?

MR. CROSBIE: Just a minute. No, they will be blessed by the Minister of Finance.

MR. THOMS: (Inaudible).

MR. CROSBIE: One and one-quarter inch alloy for presentation to every school child in the province. Every school child in this province will get an anniversary medal.

MR. THOMS: That is half the mothers' allowance. Why not give half the mothers' allowance back?

MR. CROSBIE: Pardon?

MR. THOMS: Why not give half the mothers' allowance back?

MR. NEARY: They would rather get a half a dollar than a silver dollar -

MR. CROSBIE: Half the mothers' allowance?

MR. THOMS: If the honourable minister reinstated the mothers' allowance -

MR. CROSBIE: Does not the poor gentleman realize that he is beating a dead mother. It is not even an issue any longer.

MR. CHAIRMAN (Mr. Stagg): Order please!

The honourable minister has been asked a question and he is attempting to answer the question. I suggest honourable members afford him the courtesy of being heard in silence.

It now being 6:00 P.M., I leave the Chair until 8:00 P.M.



PROVINCE OF NEWFOUNDLAND

**THIRTY-SIXTH GENERAL ASSEMBLY
OF
NEWFOUNDLAND**

Volume 3

3rd. Session

Number 54

VERBATIM REPORT

THURSDAY, APRIL 25, 1974

SPEAKER: THE HONOURABLE JAMES M. RUSSELL

The committee resumed at 8:00 P.M.

MR. THOMS: 406-05 The minister was going to ask some questions.

MR. CROSBIE: That is right, Mr. Chairman. Well now that the honourable gentleman reminds me. This item, Mr. Chairman, is let me see, \$170,000. Now that covers 170,000 one and a quarter inch nickel alloy medals for presentation to all the schools in the province, Every schoolchild in the province is going to get a medal.

MR. NEARY: What for, Mr. Chairman?

MR. CROSBIE: There will be one of those nickel alloy medals for the member for Bell Island if he should allow my estimates through tonight. In addition to that there are 10,000 silver medals, two inch prime silver.

AN HON. MEMBER: Who gets those?

MR. CROSBIE: Well they are going to go to the favourite 10,000. No, we are going to give them to all kinds of community leaders. They are going to be sold.

AN HON. MEMBER: All of them sold?

MR. CROSBIE: No, some will be kept for presentation to visitors of the province and members of the House of Assembly and important people like that, including honourable gentlemen opposite. They are all on the list. I did not want to announce that until the estimates are over because it might have been interpreted as a plea for mercy you know. I am producing this now and I expect some positive results this evening.

MR. THOMS: Well he can take mine back and sell it.

MR. CROSBIE: Oh my heavens! The honourable member for Bonavista North will not even give it to one of his children, Mr. Chairman. I mean, do not make a hasty decision. He will find that the medal is so good that he will want to buy another eight for the rest of his children. Anyway there are 10,000 silver medals and 170,000 nickel alloy medals, so the cost of all that is \$170,000. But, Mr. Chairman, we are going to sell, we are going to sell a great deal of those

silver medals and we hope to get \$25 each for them. After taking off the Federal Excise Tax and the Provincial Sales Tax and miscellaneous costs and advertising and so on, we expect to clear on the sale of the medals \$156,400, so that the net cost of the whole programme is - I am not a great mathematician, Mr. Chairman - \$156,000 from \$170,000 is \$14,000. Now it may be that our selling expenses and so on are not as high as they might be, that it will not cost us anything, we will get enough revenue back.

The whole purpose of the thing is, Mr. Chairman - I should have brought up a medal tonight. Has anybody here got a silver anniversary medal? On one side it has the Coat of Arms of Newfoundland -
AN HON. MEMBER: Inaudible.

MR. CROSBIE: Well that was suggested but I resisted the temptation. On the other side is -

AN HON. MEMBER: Inaudible.

MR. CROSBIE: Yes, you know that thing with "Quaerte" and what not on it in Latin. The other side was the -

AN HON. MEMBER: Inaudible.

MR. CROSBIE: No, it was one of my predecessors, John Cabot's ship, "The Matthew," is on the other side of it, very handsomely done. The medal is about, you know that big, and a very handsome piece of work. We are very proud of it. But in any event, Mr. Chairman, if we are going to celebrate a silver anniversary it is a very usual and customary thing to have an anniversary medal. This has been done by the Jacques Cartier Mint in Toronto. The medal contains two troy ounces of fine silver and the silver was purchased or the order was given at a very propitious time some six or eight months ago when the silver prices were only half what they are today so the medal is going to be even more valuable than otherwise it would be. That just about covers it. So I hope this meets with the approval of honourable gentlemen opposite.

MR. NEARY: Well, Mr. Chairman, we could not let this item pass, Your Honour, without having a few words on it. We have been talking quite

a bit these last few weeks, Sir, about the extravagance and waste of this administration since they came to power, Sir, and here is a classic example tonight, Mr. Chairman, of what we have been talking about over the last couple of weeks.

AN HON. MEMBER: Mr. Smallwood said he would spend ten times as much to do a thing like this.

MR. NEARY: Well maybe we will have to get poor old Joey back. If Mr. Smallwood would spend ten times as much he would take in ten times as much in revenue. That is the difference between that administration and the Smallwood Administration. At least Mr. Smallwood provided the services, put up the buildings and improved the public services but this honourable crowd have done nothing since they took office, Sir.

Now, Mr. Chairman, I will tell you the tragic part of all this, Sir, it comes at a time when the cost of living has gone completely out of control of the ordinary working-class Newfoundlander. They cannot afford to buy milk for their children. They cannot get enough bread to put on their table, Sir, and the Minister of Finance comes in tonight and tells us that all these poor hungry children that are going to school, that do not have enough calcium in their bloods, not enough milk to drink, he is going to pin a medal on them. That is their reward for going to school half hungry, cold for lack of suitable, adequate clothing, that the minister is going to pin a medal on them. Sir, I suggested before that this administration, that the Premier should take the bull by the horns and cancel those ridiculous Confederation celebration banquets and silver medals and coins. There is a better way to use this money, Mr. Chairman, in my opinion. Take five cents off a loaf of bread, Sir, the staff of life.

AN HONOURABLE MEMBER: That was a poor choice of words.

MR. NEARY: That was a poor choice of words. Take five cents off a loaf of bread or subsidize milk in this province, Sir. Do you know, Mr. Chairman, that right at this moment while we are here in this honourable House talking about silver coins and bronze medals and silver medals that the milk farmers of this province, the milk producers are just about ready to close their doors? They have gone on their hands and knees to the Minister of Finance and that administration to look for subsidies to keep their milk business open. They have been rejected.

There are all kinds of things they could do with this money, Sir. I doubt very much if the minister is going to get the revenue he expects to get from these silver coins and bronze medals. How many welfare recipients can afford to wack out twenty-five dollars for these medals? How many people in the lower-income bracket? A good many? A good many in the member's own district? They will be glad to hear that. How many people down there in the low-income brackets?

AN HONOURABLE MEMBER: They can afford it.

MR. NEARY: They can afford it, can they? They will buy the coins and the silver medals down in the member's district?

AN HONOURABLE MEMBER: In the honourable member's too.

MR. NEARY: In mine too. Well, we will see about that. We will see how many people in the low-income bracket will buy these medals, will lash out twenty-five dollars.

The minister was telling us this afternoon that he had grave doubts about the \$10,000 to be spent on the Bell Island, Portugal Cove ferry service when the Minister of Transportation and Communications put the proposal before treasury board. How did the minister feel about this when it was put before treasury board? What kind of a conscience does the man have? He is the President of Treasury Board and the Minister of Finance. Did he put up any struggle at all? Did he squirm and say, "No, no, we cannot

do this"? Was there any fight in him at all?

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: He fought it? There is certainly no evidence of it tonight. He did not resign as he tells us so often.

MR. CROSBIE: Could not afford to lose it.

MR. NEARY: No. Then he tells us, Mr. Chairman, that all the members of the House are going to be amongst the select few. We are going to be the privileged few. We are all going to get a medal pinned on us.

I can see it now, Mr. Chairman, the minister when he wants to pin my medal on, sending out for a Brink's Armored Car, fellows coming in with their machine guns, getting out, coming in the back door of Confederation Building, rushing up to the minister's office and the next thing I know I get a call, summoned to the Minister of Finance's office. The photographers are there and the television cameras are there and the minister is going to pin a bronze medal on me.

The whole trouble is that I have four kids and if the minister give me one, he shall have to give me four.

MR. CROSBIE: Inaudible.

MR. NEARY: Well, Sir, it will not be too long before these medals will be tarnished just like the public image of that administration is tranished at the present time.

I have a mind that I would vote against this particular item. I do not know if it be in order, Mr. Chairman, but I think it would be. I would like to move, Sir, but one cannot move that a vote be struck out altogether from the estimates but one can move that it be reduced to one dollar. I am going to move -

MR. CROSBIE: The honourable member should say twenty-five dollars or we will not give him a medal.

MR. NEARY: The honourable minister will not give me a medal. Well, I could not care less. I have my Confederation medal, is it? I have that, Sir. That is good enough for me.

Sir, I am going to move that, seconded by my colleague here, the

member for Bonavista North, that this item 406-05, Silver Anniversary of Confederation, \$170,000, be reduced to one dollar and that the balance of \$169,000, Sir, be used to subsidize milk or bread in this province.

MR. CHAIRMAN (MR. STAGG): Would the honourable member repeat his motion please?

MR. CROSBIE: All he can do is move that it be reduced to one dollar, Mr. Chairman, because all a member can do in this House in committee is move a reduction or move that the Chairman leave the Chair. So, all he can do is move that it be reduced to one dollar.

MR. CHAIRMAN (MR. STAGG): The motion is that head 406-05 be reduced to one dollar. I presume we will have debate on this subject.

MR. CROSBIE: Mr. Chairman, this is a cruel, cruel, cruel, cruel, cruel disappointment to me that the member for Bell Island would take this attitude towards the Silver Anniversary medals. After all this is in honour of the twenty-fifth anniversary of Confederation which I think was brought about by his mentor and his leader for so many years, the honourable Mr. Smallwood, our ex-Premier, with which the government of the day, forgetting political differences, decided to observe this year with a twenty-fifth anniversary celebration.

Simply because honourable gentlemen opposite are not forming the government they are being so small minded about it and so mean and petty and picayune that they have done nothing in the last few months but criticize the Silver Anniversary Celebrations.

We know, Mr. Chairman, if they were in power today what celebrations would be going on in this province. \$2 million would not be in the picture. I would venture to say it would be \$25 million, that would be spent on the Silver Anniversary. They would be tootling their horns in every corner. There would be fireworks on every street corner in the province.

AN HONOURABLE MEMBER: Burning Crosbie in effigy.

MR. CROSBIE: Yes, they would be burning people in effigy. They would be putting on such a show. But, they are so sour and they are so

mealy-mouthed about this Silver Anniversary Programme because they do not form the government. They thought it was the God-given right when Confederation came that the Liberal Party should stay in forever. That is what they thought, apparently. Just because the Progressive Conservative Party is in on the twenty-fifth anniversary, they are going to downgrade it and attack it and bemean it.

Now, the member for Bell Island wants to cut out the 170,000 medals that we hope to give the school children of the province to commemorate the occasion. He gets up with all this silly talk hoping somehow it will squeek out through the press that rather than do this we should be giving milk and bums and so on to the children of the province as though there were tens of thousands of them out there starving. They are not. All this is, is the giving of a medal so that they will have a souvenir of the twenty-fifth anniversary of Confederation.

As every province has done on its twenty-fifth or its fiftieth or its hundredth anniversary, we are having a medal struck and commemoration. There is an Olympic medal struck up in Ottawa now and the Olympic medal is being sold all across Canada. Do we hear the member for Bell Island attacking the Olympic medal and attacking the athlete's feat that causes the Olympic medal and attacking the Government of Canada for permitting an Olympic medal? No, we do not hear the honourable member for Bell Island attacking the Olympic medal. We do not. Why not?

Because Mr. Trudeau is associated with the Olympic medal or Mayor Drapeau is associated. He has a tremendous fascination and love for the French Canadian. He will support the French Canadian medals. He will not support his own Newfoundland medals. What has the honourable gentleman got against Newfoundlanders? That is what I would like to know. Why is it he supports every medal in the Dominion except our own Silver Anniversary medal here in Newfoundland? Why does he want to deprive the school children of Newfoundland of a souvenir of this occasion so that in twenty-five or fifty years time they can take it out and say, "Look, I was there on March 31, 1974 when the Moores Administration was in and celebrated the twenty-fifth anniversary."

Now, if it had a picture on it. If it were not the "Matthew" if it were a "Joey", if we had a picture of "The Joey" on the back of that coin, I will bet you the honourable gentleman would not be moving. No, we are honouring John Cabot instead of Joey. I suppose that was our fatal error. If we had "The Joey" medallion, then by George! he would be moving that the vote be quintupled and that we give one to every person in the province and not just to the children.

I am sadly disappointed tonight, Mr. Chairman. This is the saddest moment I have had in the House now since 1966 because I thought for once in his life the honourable gentleman from Bell Island might show some statesmanship. Instead of that he paints a picture of the milk producers of the province coming in to the Minister of Finance on their hands and knees. Mr. Chairman, I have not seen a milk producer on his hands or knees in my life. I have not seen a milk producer or even a cow. Perhaps he meant cows. Perhaps he meant the cows have come in, the milk producers, the four footed ones have come in and gotten down on their knees before me and asked for a subsidy.

I have not heard a moo, Mr. Chairman, in at least six months. I have not heard a moo and I have not had a cow in front of me. I would not go near a cow if one paid me to go near one. I have not stepped on one.

AN HONOURABLE MEMBER: On a bull.

MR. CROSBIE: A bull, yes. I have heard a lot of bull in the last few weeks.

Now, I deny categorically and absolutely as the honourable gentleman did this afternoon - no, he did not deny this afternoon. That is right. No, he did not deny. I will not deny this, Mr. Chairman. If I deny this, every member of the House would have to deny this. If I deny that I had milk producers on their knees before me using the logic of the honourable member for Bell Island this afternoon, I would be putting the finger on the other forty-two members of the House and they would all have to say they deny that the milk producers knelt before them.

The Member for Bell Island will not deny that he leaked certain materials to the press because that would put the finger on the rest of us and all forty-one of us would have to deny that we leaked it to the press. That is his reasoning. I will not deny that the milk producers knelt before me. I will not deny it. It would be McCarthyism to deny it. It would sour the milk to deny it. I do not deny it. I just say that it is incorrect. There have not been any milk producers in before the government. Now what more can I say.

AN HON. MEMBER: Bakers.

MR. CROSBIE: I am not saying that they have not been in before the government or members of the government. They have not been in before the Treasury Board. There have been no bakers in before the Treasury Board. There has been no dough before the Treasury Board. Until these estimates are passed, we do not have any real dough to give out, Mr. Chairman.

Can I just say once again that we hope the honourable gentleman will change his mind and join in the spirit of Confederation, Confederation Celebrations. Tomorrow night there is a dinner in St. Anthony. The Leader of the Opposition will be there in all his glory. The Deputy Premier will be there in all his glory. The Minister of Tourism will be there in all his glory. Hundreds of people from St. Anthony will be there, all celebrating the twenty-fifth year of Confederation in a spirit of amicability. All political partisanship will be forgotten, "Auld Lang Syne," "Up Newfoundland," "Where Is It At," "Come And Get It," all these brotherly slogans will be used.

AN HON. MEMBER: Ocean Heritage.

MR. CROSBIE: I watched Ocean Heritage tonight on the television. It is a magnificent film. I was proud of it. My heart swelled when I saw the name George D. McLean, Producer, at the end of it.

AN HON. MEMBER: (Inaudible).

MR. CROSBIE: A magnificent film, magnificent.

AN HON. MEMBER: How much did it cost?

MR. CROSBIE: I do not know what it cost. I do not know the cost, Mr. Chairman. I am sure it did not cost too much.

Mr. Chairman, I ask honourable gentlemen opposite - there are lovely pictures of the honourable gentleman's district, Labrador North. I bet it brought tears to the honourable gentleman's eyes. There was Nain with the sun going up, the sun going down, the waves dashing on the rocks, the bergs drifting, the motor boats going. They did not have a picture of the 'Tanya', he missed out on the 'Tanya'. Mr. Chairman, I hope I have satisfied the honourable gentleman's quest for information on this matter. It is not going to cost the province anything. It may cost, we figure, \$14,000. In all probability it should pay for itself.

MR. MORGAN: Mr. Chairman, I would like to say a few words on this heading, 406-05.

MR. CHAIRMAN (Mr. Stagg): Order please!

If the honourable member would permit, I have recognized the Member for Bonavista North.

MR. THOMS: Thank you, Mr. Chairman.

The Hon. Minister of Finance is in a rather jocular mood tonight. It is really too bad that some people throughout the province cannot be in the same mood as he is in.

We, in this province this year and apparently last year are witnessing one of the greatest scandals of all time I suspect when we are possibly throwing down the drain something like \$3 million to celebrate the Twenty-fifth Anniversary. At the same time approximately sixty per cent of our population today has still got to get out back to the old well and bring water in buckets. In some communities they have to take their slop pail and go down to the landwash. The minister will not authorize his administration to get loans to install water and sewer systems. He will not authorize the Minister of Highways to get loans to build highways. He will authorize his government to tax the people of Newfoundland so they can collect an extra \$3 million to give to such people as George McLean.

Mr. Chairman, I think that this is disgraceful. The minister is making a sham of the members of this House and in effect laughing at the

people of this province. He tries to make fun at the opposition when they are so concerned about the extravagant waste that this government is carrying on at the present time. It is disgraceful. We have so many needs in this province, so many areas where we can spend hundreds of thousands of dollars and we can spend the whole \$3 million. Mr. Chairman, delegation after delegation will come to the ministers of this province and they cannot get a positive answer from any of them as far as water and sewer are concerned, roads are concerned and recreation projects.

Mr. Chairman, it was only two months ago that I was in the Minister of Tourism's office with a delegation looking for financial help. We received no positive answer whatsoever, not even a promise. Then only ten days after that, we heard the big announcement that he was going to grant the City of St. John's \$3 million.

Now, Mr. Chairman, this present Tory Government is like all Tory Governments, it is a St. John's Government and ten to one, two-thirds of this budget, two-thirds of this seventy hundred and fifty-two point some odd million dollars will be spent in St. John's.

MR. CHAIRMAN (Mr. Stagg): Order please!

The honourable member will direct himself to the amendment which is before the House which is that Head 406-05, Silver Anniversary of Confederation, \$170,000 be reduced by \$1.00. The honourable member is into something that resembles the budget speech or what would be the budget speech were we having it at this time. What is relevant under this topic is what if anything should be spent for the Silver Anniversary of Confederation as proposed by the Hon. Minister of Finance. The honourable member is into irrelevancies.

MR. THOMS: Now, Mr. Chairman, I think that this \$170,000 which we are spending for these silver medallions or coins, whatever the minister calls them, is a complete waste of time. I think we can take the \$170,000 and find a better use for it. If the Tory Administration cannot find a better use for it, would they please come to me and I will show them where they can spend ten times that and spend it good. I think if it were spent in the way that I would suggest that it would be spent that

every person involved would certainly appreciate it. Mr. Chairman, I am getting sick and tired of having people come to this administration and be given a shirk of the shoulders, a negative answer, nothing positive, not even a promise, etc. No one seems to care any longer whether we drink fresh water or whether we drink salt or whether it is polluted or not. No one seems to care. The ministers of the government have given up on the people. They have completely forgotten them. They think that Newfoundland ends at the Donovans Overpass. This \$170,000 could be well spent well beyond the Donovans Overpass.

Mr. Chairman, I support this motion that this vote be reduced to \$1.00.

MR. MORGAN: Mr. Chairman, it really is laughable. I had to say a few words on this motion and on the estimate itself, 406-05.

We are talking about a total expenditure of \$14,000 really. The \$170,000 that will be spent on the Silver Anniversary, there will be revenue coming back of \$156,000 - \$14,000. I have sat in this committee during the estimates so far and listened for sixteen hours and we talked about over and over again the expenditure on the anniversary celebrations. First it was \$1 million. The opposition was crying to the media; the Tory Government are spending \$1 million on anniversary celebrations this year. Then it became \$2 million, \$3 million and lo and behold! This morning on the media of the province, the Hon. the Leader of the Opposition said that it is \$4 million.

Each week is \$1 million. When the honourable the Minister of Tourism, no longer than yesterday, told this honourable House of Assembly the total expenditure so far on the celebrations is less than \$600,000.00, where is this \$4 million figure we are talking about? It is propaganda nothing but propaganda from the opposition.

AN HONOURABLE MEMBER: Inaudible.

MR. MORGAN: Mr. Chairman, when the real Leader of the Liberal Party takes over -

MR. CHAIRMAN: (Stagg): Order, please! Again I do not know if it be an affliction that is peculiar to the members for Bonavista constituencies but the honourable member is falling into the same line of discussion as his colleague in Bonavista North. The topic under discussion is Silver Anniversary of Confederation and whether it should be reduced to one dollar or not and the honourable member is getting into matters which are not relevant.

MR. MORGAN: Thank you, Mr. Chairman. What I was getting at when we are talking about leadership of the party is what that party would do if they were in power on the same heading, on the same heading today, under 405-06 because that man who now is going to become leader this fall is saying to the public of Newfoundland he would spend ten times the amount. He would have ten times the activity. He would have state banquets, celebration banquets, gatherings here, gatherings there, all over the Province.

AN HONOURABLE MEMBER: Inaudible.

MR. MORGAN: Your next leader, Mr. Smallwood, publicly in the Province, your next leader, he would stand, he would have ten times the activity, ten times the activity. He would have state banquets and celebration banquets and confederate banquets, three different kinds of banquets. Here we are talking about a total of \$14,000 and he wants it wiped off of the estimates. That is all we have heard, repetition over and over and over in these estimates.

We are sixteen hours on one heading, on finance, salaries

and on finance, the heading of salaries, the same thing was over and over and over, the cost of this year's celebrations. I am getting sick and tired of the same thing over where it is wasteful and it is extravagance, wasteful spendings of this government.

I would like to know what the celebrations or so called celebrations of Come Home Year, 1966, cost the Province. I am sure the figure of \$4 million or \$5 million is low. The figure of \$4 million is low. I am not saying that Come Home Year was a bad thing but it is similar to this year because that is going to be a tourist attraction, the Anniversary Celebrations this year. That is obvious.

So the investment that we are putting into these celebrations is going to bring a return, a revenue into the financial revenue of this Province this year. Yet the opposition continuously cries about the celebrations. Is it because their former leader did not take part in the initial beginnings, the initial celebrations this year? Is it because of that that they are so against the celebrations? Surely it is not that. They would not be so childish as that, just because their former leader and their next leader did not take part in the initial celebrations.

MR. CHAIRMAN (Stagg): Order, please!

MR. MORGAN: Mr. Chairman, it is still celebrations.

MR. CHAIRMAN: Yes, the honourable member is on celebrations but he is not directing himself to the amendment. The debate on this amendment has to be quite precise and while a certain amount of leniency and -

AN HONOURABLE MEMBER: Leeway.

MR. CHAIRMAN: Leeway, thank you, has to be given to honourable members in order for them to draw comparisons and make their points, it appears as if the comparisons are, they are drawing the comparisons but failing to make a point. I suggest the honourable member direct himself to the amendment.

MR. MORGAN: Thank you, Mr. Chairman. I am still pointing out the

fact that \$14,000 in accordance with the amendment, they are asking that \$14,000 be taken and to be used to subsidize bread and subsidize milk. Now how naive does the opposition think the people of this Province really are. That is all the opposition is planning it for, is to get in the media and say, "Look, we want the Tory Government to take the money they are spending on these medals for the anniversary celebrations and to subsidize bread and milk." With \$14,000?

Mr. Chairman, \$14,000, even if we had people starving in the Province who needed buns and who needed milk as the honourable Minister of Finance pointed out, surely \$14,000 is not going to do anything for them, and then to move a motion asking that that amount be scratched from the estimates is ridiculous.

So I merely want to point out, Mr. Chairman, that the figure, \$170,000 here with this government and these celebrations, if that party were in power and if the former Premier were in power that figure in these estimates tonight would be three times or even ten times as great and they would be glad to vote in favour of it.

So I condemn the motion and naturally vote against it. Thank you.

MR. CHAIRMAN (Stagg): Is the House ready for the questions?

MR. NEARY: Not quite yet, Sir.

Mr. Chairman, what kind of nonsense do we have to listen to in this honourable committee. We just heard the member for Bonavista South, Sir, say, "If Mr. Smallwood were here," if this, if that. We hear Bruneau over at the university say, "Oh my! If we only discover oil off the shores of Newfoundland look at all of the problems we are going to have." I would rather deal with the problems of prosperity than the problems of poverty.

The fact remains that Mr. Smallwood is not here and if he were here in a year when we have record unemployment and the highest cost of living in our history and the lowest per capita personal income, I do not think that Mr. Smallwood in his wisdom -

AN HONOURABLE MEMBER: Who has the lowest per capita income?

MR. NEARY: We have the lowest, well, we have. No we have the fifth, sixth lowest, the sixth lowest.

AN HONOURABLE MEMBER: Yes, well that is a bit different.

MR. NEARY: Well that is all right.

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: My God! I must see what the member said when he was campaigning. Where is he? He is down here somewhere. Mr. Doody. There he is, Mr. Doody, age forty, past managing director of J.J. Buff's Supermarket.

AN HONOURABLE MEMBER: Listen here -

MR. CHAIRMAN: Order, please. Order, please!

MR. MORGAN: This is not relevant.

AN HONOURABLE MEMBER: Inaudible.

MR. CHAIRMAN: Surely the honourable member realizes that the amendment which he has proposed is such that has to be debated with material that is relevant to it. What he is attempting to put in his record now has no relevance whatsoever.

MR. NEARY: Thank you, Mr. Chairman. I just happened to pick this up on my desk, "The time has come." Well, Sir, I will deal with that in a few minutes, Sir. I want to correct a misconception that was just created by the member for Bonavista South, Sir, that these foolish Silver Anniversary Celebrations are going to cost the taxpayers of this Province over \$3 million, somewhere between, Mr. Chairman, \$3 million and \$4 million.

AN HONOURABLE MEMBER: I thought he was a confederate.

MR. NEARY: So I am a confederate. What has that got to do with it?

AN HONOURABLE MEMBER: I thought he believed in Canada? -

MR. NEARY: What has that got to do with it? Twenty-five years, if we were celebrating our hundredth anniversary, I could agree with tinsel and balloons and fire works and bicycle contests and bonfires and all of that sort of nonsense; Silver Anniversary Banquets and bridge parties and no forty-fives in here anywhere, Sir.

AN HONOURABLE MEMBER: Yes.

MR. NEARY: There is.

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: Mr. Chairman, no wonder we are hearing so much about strikes and rumblings of strikes in this Province. The government are fiddling while the Province burns. People cannot find jobs. People cannot buy enough bread to put on their table. What are we debating in this honourable House?

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: Mr. Chairman, we are debating Silver Anniversary medals and bronze medals and all of that kind of foolishness.

Mr. Chairman, when this honourable crowd campaigned they campaigned on the slogan "The time has come." No, that is not the one.

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: "The time has come," is it? That was in the first campaign.

AN HONOURABLE MEMBER: The second one was "The time is now."

MR. NEARY: In their first campaign "The time has come."

AN HONOURABLE MEMBER: In the next one "The time is gone."

MR. NEARY: All of their pictures are in there. There they are, Mr. Chairman, look, "The time has come." Even poor old Hughie Shea is in there, Bern FitsPatrick. Who else is there? Burgess is not there. "The time has come" and then in the second campaign, "The time is now."

Well, Sir, I am going to throw the Premier's

old election slogan right back in his face. And say the time is now all right, Sir. It is long overdue now for this administration to get away from this foolishness and nonsense that they have been carrying on for the past couple of years, drop this nonsense, Sir, and get down to the business of governing this province. Get down to the business of running -

MR. CHAIRMAN (STAGG): Order, please! The honourable member certainly does not need to be directed to the rule of relevancy again but nevertheless he is.

MR. NEARY: So, Mr. Chairman, in actual fact it is going to cost the taxpayers of this province somewhere between \$3 million and \$4 million for these foolish Silver Anniversary Celebrations, like silver coins, bronze medals

MR. CHAIRMAN:(STAGG): Inaudible.

MR. NEARY: Mr. Chairman, you are rather trigger-happy tonight. Do not let that honourable crowd over there rattle you, Sir. I am trying to make a couple of good points in this debate, Sir.

MR. CROSBIE: He has been at it for six months.

MR. NEARY: We seem to be running up against a stone wall. Whenever we make a positive, constructive suggestion in this honourable House we run up against a stone wall with this honourable crowd, Sir.

HON. T. P. HICKEY (MINISTER OF TRANSPORTATION AND COMMUNICATIONS): May I ask the honourable gentleman a question?

MR. ROBERTS: No!

MR. NEARY: A question? Sure, go right ahead.

AN HON. MEMBER: Buddy, Buddy.

MR. HICKFY: Mr. Chairman, I would have gladly spoken in the debate but I did not realize that the honourable member was winding it up and I hate to break the wonderful truce that existed for some weeks now and at the expense of doing further damage to my vocal cords I am compelled to ask the honourable gentleman a question. If he has heard or if he saw the programme in which his former leader took part, in which he said, "He not only approved of the expenditure of the Silver Anniversary

this year but, in fact, disagreed with the amount that this government had allocated" and that if he had been Premier he would have spent four times the money and ten times the activity." Now this is a fact I saw it and heard it myself.

MR. NEARY: Mr. Chairman, with all due respect, maybe that is one of the reasons why he is not Premier, I do not know. Maybe it is one of the reasons that honourable crowd will not be the government the next time around.

"John Crosbie, age forty, P.C. member, House of Assembly, St. John's West, has a law practice.

AN HON. MEMBER: Inaudible.

MR. NEARY: What is that?

AN HON. MEMBER: Inaudible.

MR. NEARY: The Minister of Finance, Sir, the only defence that he had was he called upon poor old Nancy, the cow, and the minister would not know, Sir, one end of a cow from the other.

MR. CHAIRMAN (STAGG): Order, please!

Probably with the mood of the committee as it is, honourable members would rather be jocular than be relevant. Maybe it is unfortunate that the Chair feels it necessary to interrupt. However, I do draw the honourable member to the rule of relevancy.

MR. NEARY: No, Mr. Chairman, I did not introduce the cow into the debate, Sir, it was the Minister of Finance. I was merely pointing out that he would not know one end of a cow from the other anyway, I doubt if the -

MR. CROSBIE: Inaudible.

MR. NEARY: But, Mr. Chairman, there is no doubt in my mind, Sir, that this is a waste of money, that the government are not going to get the revenue that they expect to get on these silver medals.

AN HON. MEMBER: Inaudible.

MR. NEARY: What question?

AN HON. MEMBER: Inaudible.

MR. NEARY: I already answered the question. It is a hypothetical question. The former Premier is not here. You know, Mr. Chairman,

poor old Joey got defeated, Sir, in 1971. They will never forget Joey in this honourable House, Sir.

So, Mr. Chairman, I can only appeal once more to the Premier to cancel those ridiculous Confederation Celebration gimmicks and banquets that they having and put the money, Sir, to better use. Put the money towards subsidizing the price of a loaf of bread, as I said earlier this evening or subsidizing milk or lowering the cost of furnace oil or gasolire in this province. Do something, Mr. Chairman, that will benefit every man, woman and child in this province, instead of flushing the money down the drains of the toilets and privies of this province, Sir, at booze parties, bicycle contests, silver anniversary -

MR. CHAIRMAN (STAGG): Order, please! There is a rule in the new rules which can be invoked by the Chair only after having brought the matter of relevancy to the honourable member's attention frequently or certainly in this case it has been brought to the honourable member's attention frequently, as not being relevant to the motion which he himself has put. I ask the honourable member maybe he might be relevant and not have to have the Chair interrupt him so frequently. It is necessary that rules be observed even though it may interrupt the honourable member.

MR. NEARY: Mr. Chairman, I hope the same rules apply to the other side of the House because the Minister of Finance introduced all of these matters into the debate, Sir, I think I should have the same leeway as the Minister of Finance, with all due respect to Your Honour. I appreciate your ruling, Sir.

But, Sir, I do feel that the - and the Premier is not in his seat again tonight. He may be able to hear me out in the common room, I do not know but I do wish, Sir, that the Premier would shake some sense into the Minister of Finance and his colleagues and cancel these foolish gimmicks and these foolish Silver Anniversary Celebrations that are going to cost the taxpayers of this province over \$3 million this year.

MR. CHAIRMAN (STAGG): The motion is that Head 406-05 be reduced to \$1.00.

Those in favour of the motion "Aye." Those against "Nay."
In my opinion the "Nays," have it.

Shall 406-05 carry?

MR. P. S. THOMS: Mr. Chairman, just for one second. Could the minister - I believe he told us, could he tell us again who is making these coins? Who is responsible for them?

MR. CROSBIE: We have a picture of the "Matthew" on the back of the medal, it is John Cabot. The medals are being made by the Jacques Cartier Mint up on the Mainland.

Now, Mr. Chairman, before we leave this item I just want to make one final point that the honourable Member for Bell Island reminded me of - just a two line verse:

"A tisket, a tasket,
Steve has a leak in his basket."

MR. ROBERTS: Mr. Chairman, is that relevant?

MR. CROSBIE: I do not know, I could be ruled out on that.

The other point was, it always reminded me of that song "Silver Coins In The Fountain." That reminded me when the honourable gentleman was speaking about the bread, the milk and the rest of it, of his fountains, "The Neary Fountain" down in front of Colonial Building, I believe and understand that fountain went there at the honourable Member for Bell Island's suggestion. That was known unofficially as "The Neary Fountain". That monument down there in front of the Colonial Building, that outrageous cost at public expense, far more than these medals. That fountain down in front of the Colonial Building costs about \$100,000. Then there was, I do not know whose pileus it was out there in Long Pond. There was another fountain out there with colours, and that cost -

AN HON. MEMBER: Inaudible.

MR. CHAIRMAN: Order, please! The honourable member has made his point. However, I do not think the point was relevant. I must draw it to

his attention nevertheless.

MR. NEARY: Mr. Chairman, let me set the record of this committee straight, Sir, I was not a member of this honourable House when that fountain was built down in front of the Colonial Building, not a member of the House. I do not know if the minister's own firm built it or not. Sir, he knows more about it than I do. I was not even in the House, I was over on Bell Island at that time, Sir, trying to earn a living.

AN HON. MEMBER: Inaudible.

MR. NEARY: Trying to dig a living out of the ground over there. The minister should retract that and apologize because it is just not true.

MR. CROSBIE: Well, Mr. Chairman, because the gentleman has made a denial of this and as I said this afternoon, if he deny that he caused that fountain to be erected, I accept his word as a member of this House, as I would this afternoon if he denied that he leaked certain documents. So I will certainly withdraw it, yes.

MR. THOMS: Mr. Chairman, could the minister tell us whether his department have ordered these coins right directly from Jacques Cartier Mint or if some agency purchased them for him?

MR. CROSBIE: Now the gentleman is getting to the nub of it. Sir, who is getting the gravy on the medal?

MR. THOMS: Yes, that is what I asked. He is right. Right on. For once he is on.

MR. CROSBIE: Well, Mr. Chairman, I am sorry to have to disappoint the honourable gentleman but nobody is even getting a piece of lint from the mint. They are ordered directly from Jacques Cartier and there is nobody in between, no one gets -

AN HON. MEMBER: Is Jacques delivering them himself?

MR. CROSBIE: Yes, Jacques' man is delivering them. So there is nobody, there is only the Jacques Cartier Mint and the government.

MR. THOMS: Department of Finance.

MR. CROSBIE: But there will be people selling them. The Jacques Cartier Mint, for example, will help sell them. There will be coin collectors.

MR. NEARY: How many scalpers?

MR. CROSBIE: There are to be a few scalpers.

MR. THOMS: Will George McLean help sell them?

MR. CROSBIE: I do not believe that Mr. McLean had anything to do with these medals but they will be sold to coin collectors in the U.S. and so on. They will be advertised in this numismatic. That is coin collecting, I never knew it before

and so on. They will be advertised in these numismatic, that is coin collecting. I never knew it before but numismatic - collect coins and they will be buying them hopefully and of course they will be available for sale here in Newfoundland at I think banks and motels and places like that. I hope I have answered the honourable gentleman.

MR. THOMS: Is he going to send George McLean one of these coins free of cost.

MR. CROSBIE: Inaudible.

MR. THOMS: He never answered that one, he suggests. George gets one free does he?

MR. CHAIRMAN: Order please!

On motion 406-05, carried.

MR. NEARY: (407-03) I want to hear something about this new licencing board and the appeals board that the administration is going to set up.

MR. CROSBIE: Well, Mr. Chairman, this is a vote for the Newfoundland Liquor Licencing Board. It is an operating grant for the Newfoundland Liquor Licencing Board. I thought the honourable gentleman might be curious so I have some information here. Now the Newfoundland Liquor Licencing Board was created by the Liquor Control Act, Mr. Chairman, passed May 1, 1973 and it was proclaimed on June 26, 1973. The Chairman is Mr. Cyril Banikhin who is a full time Chairman. As honourable gentlemen know he is a long-time civil servant in the province and there are two part-time members, Mr. John Haliburton of Lewisporte, Mr. Leonard Pike of Carbonear. So it was proclaimed on June 26, 1973. The total staff, excluding the two part-time members of the board, is twenty-one. There are twenty-one authorized. The total employed at present is seventeen with four additional posts provided in the present year's estimates. Ten of those seventeen are inspectors and there are two more inspectors to be appointed. So the inspection staff is being beefed up.

The board had seven meetings. That is the full board had seven meetings from July 1973 to March 31, 1974. From July 1973 to

March 31, 1974 they processed 2,622 applications.

AN HON. MEMBER: (Inaudible)

MR. CROSBIE: Yes, I have all that here. The total applications for new licenced establishments and I guess that is lounges and that kind of thing, there were 373 applications for new licenced establishments, 174 have received provisional approval. I assume that is provisional because you get approval and then perhaps you go and get a place or renovate it or whatever. Thirty-six were rejected, 160 were deferred, three were void, that their applications I guess did not have the right information or something. So that is the 373 applications for new licenced establishments.

Of the provisional approvals 104 were lounges, twenty-six restaurants, twenty-two were clubs, twenty-two were hotels or motels. That is the total provisionally approved. The total number of licences actually issued was forty-one lounge licences, eleven restaurant licences, eighteen club licences and nine hotel-motel licences.

AN HON. MEMBER: How about the brewers' retail outlets?

MR. CROSBIE: Yes, I am coming to that. Licenced establishments - there were twenty-one applications of transfer of ownership that were approved. Now, Mr. Chairman, if you want to transfer ownership if you have a club or whatever it is, even if it be the sale of shares of a company, you have to get the transfer approved by the board. So someone cannot get a licence and just transfer it to somebody else. There were twenty-one transfer of ownerships approved. There were 910 applications for new brewers' agents licences. Practically everybody in the country wants to be a brewers' agent. 910 applications - there were 232 approved and 211 actually issued, 230 deferred, 309 rejected, 139 have been referred to the Brewers' Association of Newfoundland, that is referred to them to see whether they need the agents or do not need the agents or whatever.

There were 710 applications for new waiters' licences that were approved. So included in that big total of 2,622 is 710 new waiters' licences. There were 432 bar extensions granted by the

board during that period. 176 occasions that Sunday hour licences were granted by the board. They had to get permission for Sunday hours.

During the same period there were fifteen licences suspended by the board. Of those fifteen licences, thirteen have been reinstated. Now as honourable gentlemen know, anybody who has a licence suspended or one refused and so on has the right to appeal to the full board or to appeal to the courts and the board if they feel aggrieved or have any cause.

The number of licences in force as of March 31, 1974, and this is including all kinds of licences now, including waiters' licences, was 5,535 licences. Before the board was created there were 4,359 already existing. There have been 1,136 issued by the board so that the total licences now in force is this: Lounge 314; club 161; restaurant eighty-three; motel-hotel ninety-seven; tavern five; airport establishments one; military mess sixteen; brewers' agents 895; waiters' 3,204 and Sunday hour licences 759.

Now, Mr. Chairman, on March 26 the new liquor licencing regulations were gazetted. Those regulations are a consolidation and improvement of the ones that were in effect before and in addition the licencing system was changed. Now before the change the condition was this, this is the licence fee structure before; for a public lounge the licence was \$500 per annum, for a restaurant the licence fee was \$300, for a tavern \$250, for a hotel \$200, for a club \$200 and for a military mess \$25.

In other words it did not make any difference how big you were or what sales you had or what you could afford, the same licence was imposed. If your volume was \$20,000 a year you paid the \$500 licence fee. If it was \$200,000 a year you paid the \$500 licence fee. That was the system before. Now that is being changed, changed into a sliding scale.

Now the licence fee structure is this: For all establishments in the categories of lounge, restaurant, club, tavern, military mess,

hotel and motel, tourist home, the basic fee is \$100. Then there is a graduated assessment in addition to that basic licence fee. On purchases exceeding \$5,000 and for each additional \$5,000 or fraction thereof you pay another \$100. That is purchases from purchasers of beer and liquor.

It is based on the previous year's purchases. Last year say one had a lounge and one purchased \$100,000 worth of liquor, then one would pay a license fee of - I get in trouble in mathematics - \$2,000. That would be the license fee. If one purchased last year \$10,000 worth of product, then the license fee would be \$200. That is the new system.

Now, the revenue expected under this new license fee structure is - make sure that agrees with this - the total expected revenue is \$586,000 under this new license fee structure. The total revenue that might have been expected under the old structure was \$300,000. The net gain is \$286,500. So, that is the new system.

The reason for it, Mr. Chairman, is that those who purchase the most product and who have the largest sales and are therefore the more profitable should pay more for the license fee. Most of the other provinces have quite complicated licensing fee systems for all kinds and descriptions with special levies and then they add ten per cent on this and ten per cent on that.

AN HONOURABLE MEMBER: Inaudible.

MR. CROSBIE: Whom we are getting the most from.

AN HONOURABLE MEMBER: Where is the revenue collected?

MR. CROSBIE: Where is the revenue? I do not know. It is in here somewhere. I will have to look for it. I cannot see it there at the moment.

Now, there have been some complaints about this graduated license fee, Mr. Chairman. I have not had any official visits yet but doubtlessly I will. I think the Canadian Legion state that they should pay a lower license fee and the Knights of Columbus feel that they should pay a lower license fee.

The position before was that our feeling is that it does not matter whether its Canadian Legion or Knights of Columbus or whatever. If one has a license to sell liquor or beer and so on, one should pay the normal fees. It has nothing to do with charitable activities or otherwise. The sale of that product enables one to make a profit. If it is used for a nonprofit organization the honourable

gentleman says, yes. They are still receiving a license from the state to sell beer and liquor. We, therefore, do not see why they should be treated any differently.

However, if they want to make submissions and I do not doubt that they will, then we will certainly listen to what they have to say. We made a check across Canada and as far as we kind find, there is no preferential treatment given to religious clubs as compared to other types such as social or fraternal. There is no preferential treatment given Canadian Legion clubs in any province with the exception of Prince Edward Island where they pay the same lower license fee as military canteens. Therefore, we have made the license fee uniform for anyone no matter who the recipient of it is.

I believe that the Lounge Association has accepted the fact, that they think it is fair enough that those who are doing the most business will have to pay more. So, we hope that it will work out.

So, I think I have covered a number of these things, Mr. Chairman. I think that the new licensing board seems to be operating very well. To me anyway it is certainly very welcome. I imagine the most sensible politicians are delighted that we no longer have any way of influencing who gets a license or who does not get a license.

MR. NEARY: Political appointments on the board.

MR. CROSBIE: If anyone look at the legislation, Mr. Chairman, he will discover that the members of the board cannot be removed without cause and so on. It is an independent authority. Mr. Baniukhin is the chairman. Mr. Haliburton and Mr. Pike are two splendid, splendid spirited public citizens of this province.

Politics are removed from it. Anyone now whose license is suspended or who cannot transfer or who does not get a license can appeal to the courts. All of these great reforms I think have been a vast improvement. We are very pleased with it. We hope that they will have a successful year in administering the Liquor

Licensing Laws of this province with impartiality, without fear or favor, fearlessly and in the public interest. I therefore move that the vote be carried.

MR. THOMS: Before we carry the vote, could the minister give me some idea as to procedure of allowing a new liquor outlet? For example, I have a letter on file from representatives of the motel operators say from Musgrave Harbour down to Trinity. They would like to have a liquor outlet in that area because at the present time they have to travel all the way to Gander. I believe the Liquor Board or Liquor Commission or someone has turned them down because they claim that the volume is not there. While the volume is not there, neither is the service. I suspect the service is more important than volume. So, I wonder could the minister explain this.

AN HONOURABLE MEMBER: Inaudible.

MR. THOMS: No, he will not go in the hole.

MR. CROSBIE: That is it. I believe the honourable gentleman is talking about a liquor store. What area was he mentioning?

MR. THOMS: From Musgrave Harbour to Trinity.

MR. CROSBIE: Yes, Musgrave Harbour to Trinity.

Well, if it were turned down for that reason, Mr. Chairman, it would not be turned down by the Liquor Licensing Board. It would be that the Newfoundland Liquor Corporation had said that they could not put a store there because there would not be the volume to justify it. I presume that they would base that on a business decision that there is not enough volume in the area to justify a store.

Now, ideally to have a store I believe one should have at least a quarter of a million dollars in sales to make it worth ones while to have a retail store in an area. Now, there are a number of stores where that is not the case. I remember reading the list here last year. The Town of Bonavista, for example, or Catalina had volumes less than that. So, that would be the reason.

Now, in the last year I believe there was a new store opened in Springdale, a very successful self-service store. It is operated by two people. There is one in Botwood. I think that is operated by

two people also.

Incidentally I saw the other day in the paper that for the first time two women were appointed as salesclerks for the Newfoundland Liquor Corporation, I think up in Labrador City. Before this has been all men.

AN HONOURABLE MEMBER: Inaudible.

MR. CROSBIE: Well, right that would be the reason because there it would be very difficult to get men to do it. That is the Newfoundland Liquor Corporation. So, the only thing I could say to the honourable gentleman is that they are trying to operate on a businesslike basis and they want to put any new stores they establish in areas which will have sufficient volume to be a good thing for the Liquor Corporation.

In addition to the new stores I mentioned, the Grand Falls store has been made into a self-service store. The one in Corner Brook, the new one, is self-service. It is planned that Labrador and Wabush have self-service. In fact it is planned that every store eventually be converted to a self-service store. That is the aim.

So, that may not be satisfactory but that would be the reason, that there would not be enough volume in that area and there are other places that have to come first where there is a bigger demand for a store and a greater volume. I do not doubt that they will keep the honourable gentleman's submission in mind.

MR. WOODWARD: Mr. Chairman, I would like to just make a few comments on this heading. I cannot see any other place in the estimates where they will come up.

Looking back a year-and-a-half ago we were looking in the same light when the restructuring took place with the Liquor Commission, that the minister had said publicly that there are a number of areas in the province, particularly in Labrador and along the Labrador Coast, where liquor is not available for the people in these areas. In order to obtain liquor - as we know today with the honourable Minister of Justice and his battery of R.C.M.P. running around in the coastal areas, people are not brewing as much home-brew as they

did previously. So, they are subject to some great fines.

I mentioned some time ago - I was very pleased to hear the minister say it - that maybe we would not need liquor stores to be built in every community at some great expense but maybe we could work some agency or licensing of small retailers that could handle a small volume of liquor in the communities and could have it available to the residents of some isolated areas. Now, I find that we have shrunk back into the position whereby if it be not feasible or it be not economical and if a store be not self-supporting in a particular region or area, then we shall not put that service in for the people.

I think this is a very,

very poor approach to the thing and it seems as if the policy decisions that were supposed to be made with regard to liquor has been changed drastically since the corporation has taken over completely or maybe taken into the hands of the Minister of Finance.

Mr. Chairman, I would like to hear the minister's views on what will happen in an area such as the isolated areas in the part of my district where one has to pay a cost. I, at one time, asked that if the store in Happy Valley could serve as a package mail-order store for the whole of Labrador where one would send their orders in and then one would not be confronted with the additional expense of having to ship it out of St. John's. This they refused to do.

Mr. Chairman, in order to get a bottle of liquor from St. John's to Nain, one cannot mail it through the mail. It is illegal to send liquor through the mail. One must send it air express. To express one bottle of liquor out of St. John's, there is a minimum bill of lading into Goose Bay of \$4.00. Then there is an additional minimum bill of lading from Goose Bay to Nain or any coastal community of an additional \$4.00. So the bottle of liquor, plus the \$8.00, would cost in the vicinity of \$16.00 to \$17.00. This is the type of thing that I would hope that the corporation would see fit, in areas such as this, to provide some economic means, either through a small retail outlet or a small grocer and give him the licence to retail on a small percentage basis so that it would be made available.

Mr. Chairman, now the greatest problem I think that I have and a lot of other people who travel in the coastal communities is that when you go into your district people who want to buy booze will send back and say send me out two bottles of booze. Naturally that two bottles of booze is going to cost \$4.00 in air freight, which is a very expensive proposition so what does this do, Mr. Chairman? It encourages people to make home-brew because it puts the liquor that is legal in the province out of reach because they do not have the economic means whereby they can afford it.

Mr. Chairman, I think that this is an inadequacy, this is a thing that should be corrected. I do not think we should look at the economics here because I do not think it would cost that much. There are ways and means whereby the government will not lose by shipping on it. There are basically three stores in the whole of Labrador, I suspect. There is one in Happy Valley that serves the need of Happy Valley, Goose Bay. There is one in Wabush and there is one in Labrador City. Or is there one for the two communities? I do not know.

AN HON. MEMBER: One in each.

MR. WOODWARD: There is one in each. We have three in the major centres. We do not have a liquor store in Labrador South. We do not have a liquor store in any of the coastal communities all the way from the Quebec Border right through to the Community of Nain. I think there should be something done in this respect here. If it is not possible to have the retailers, at least they should have a package mail-order store in (I do not know if they refer to them in that nature or not.) Happy Valley so that the people will not be burdened with the extra expense of sending out to St. John's. If a coastal community should send into Happy Valley to the store, they are not permitted to ship that order out. They have to forward the orders on to St. John's and then the store in St. John's that is designated for that purpose has to supply that order.

Mr. Chairman, I would like to hear the minister's views on that particular heading.

MR. DOODY: What is the delivery time from St. John's to one of these communities by mail, apart from the expenses, it would take?

MR. WOODWARD: The delivery time? Well we have seven flights a week going into Goose Bay so there is a daily flight. If it should get on that flight, it will get to Goose Bay and then two days later it can be delivered to any point on the Labrador Coast, whether it is north or south or whatever the case may be. I assume that most of the people in the south, in the Forteau Area, more than likely deal with Deer Lake in flying it in there. They have one coast but the people in the north

have two costs because there are two different carriers. It will go from here on EPA and then on Labrador Airways to the coastal communities.

MR. CROSBIE: Mr. Chairman, I think what the honourable-

AN HON. MEMBER: (Inaudible).

MR. CROSBIE: I surrender.

I think what the honourable gentleman says seems to make sense so I will have that checked into, I mean the point he makes about Happy Valley being a package store where it can be mailed out from, a distribution centre. The honourable gentleman may be interested in knowing that the Happy Valley store is going to be converted to a self-service store this year. I do not know whether they have started the work yet but it is planned.

MR. WOODWARD: The views that the honourable gentleman expressed previously in the beginning, the change about having small retailers in small communities -

MR. CROSBIE: Well the honourable gentleman is right that we cannot go just by the volume of sales. There are some areas where there will never be as great a volume of sales but there may still be stores.

Mr. Chairman, since the honourable gentleman brought it up, I thought I may just tell the House some of the changes that have been made at the Newfoundland Liquor Corporation in the last year. I think that they have had great success there. There has been tremendous work done at the Newfoundland Liquor Corporation. It is entirely separate from the Newfoundland Liquor Licencing Board. The President is Mr. Roland Avery. The Board of Directors of the Newfoundland Liquor Corporation are really a tremendous Board of Directors; Mr. Basil Dobbin, Mr. Fred Woolridge, Mr. Bursey from Gander, and Victor Young and Roland Martin are representing the government and there is Mr. Avery and Mr. Canning who is the Executive Vice-President of Finance. In other words the Board of the Directors are not just a cipher, Mr. Chairman, they meet regularly and they are deciding the policy for the Newfoundland Liquor Corporation.

Now, Mr. Chairman, I will not go into everything. I asked them to send me a report outlining some of the things done in the last year. It comes to about thirty-five things. I will just give the House some of them. On the financial side, the accounting department has been reorganized under a financial manager; an inventory control system has been instituted; an inventory movement on sales has been computerized; a cost accounting system with individual vat costs has been instituted in the blending department.

Mr. Chairman, in the old days they did not know what the cost of the product was they produced in the blending department, the Screech and the White Coat Gin, Newman's Port and so on.

MR. WOODWARD: The worst gin in the world.

MR. CROSBIE: No one new what the actual cost of the stuff was.

MR. WOODWARD: Newfie Scotch is even worst.

MR. CROSBIE: Now there is a cost accounting system there and they know what the vat costs are.

The central warehouse, Mr. Chairman, listen to this: The application of proper management and businesslike methods -

MR. WOODWARD: (Inaudible).

MR. CROSBIE: Let us look at this example. The central warehouse out on Kenmount Road is now in bond. It is an in-bond warehouse. It has been there for years, years and years. It is now an in-bond warehouse recognized by the federal government. Mr. Chairman, that is saving us \$250,000 to \$300,000 a year just by having the Customs and Excise Department accept that central warehouse and have it as an in-bond warehouse. It will save us nearly one-quarter of a million a year.

They have new budgeting procedures which start at the store manager level. Interest on the daily balances and the bank accounts are transferred daily so that we get credit for that and that resulted in \$12,000 additional corporation income last year. There is \$25,000 estimated for next year. All Canadian, U.K., European goods are now being received in containerized shipments. Everything now comes containerized, house to house, so that at no point there is

a need to break bulk so there will be no temptation. There used to be a lot of pilferage and breakage on all these liquor shipments.

MR. WOODWARD: Is it shipped into Halifax and then rerouted down here?

MR. CROSBIE: Yes and then down here. It is all containerized so that it arrives in a container.

In addition to the saving on pilferage and breakage, the delivery costs are now lower. We are saving \$50,000 to \$75,000 a year in delivery costs. I will not go into everything here. Better control over leave time and volume sales mean a reduction in the warehouse inventory. They are ordering quantities of slow selling European wines. The orders have been increased to reduce stock-outs. There are delivery cycles established for retail outlets.

Mr. Chairman, public tenders were called for the transportation of alcohol beverages to outlets other than those in St. John's and contracts were awarded to the lowest bidder. This was a few months ago. There are now four or five trucking. There used to be one trucking firm who did all the trucking of alcoholic beverages in the province. Now there are four or five. They called tenders on different routes and the four or five lowest were awarded the bids. They called tenders for the St. John's distribution and they were due on April 17. I have not heard what has happened. But tenders were called for the delivery in St. John's and the bids are just in.

The criteria for listing new products and delisting brands have been instituted. There is a standard application form now. If one want to have a product listed, a standard application form is put in and there is a listing and delisting committee. The listing and delisting committee used to be here on the eighth floor. Now we

wanted that listed and delisted. Now there is a listing and delisting committee of employees of the Newfoundland Liquor Corporation who make the decisions on what should be listed or delisted.

AN HON. MEMBER: On what criterion.

MR. CROSBIE: The criterion is whether this is something that will sell well and make money for the corporation and for the government or delisted if it is not selling well. That is the only criterion. Or whether you have got enough brands of Scotch or even brands of Gin or whatever.

There are a lot of things here - the warehouse, warehouse supervisor appointed, that has been reorganized. The corporation calls public tenders when they need new stores or when they need to relocate stores and they award it to the lowest bidder. For example, the new two man self-service store in Springdale and the new two man store in Botwood are both being leased from low bidders. The costs are \$3.20 per square foot on the long term lease. We all remember the certain several leases, the Investment Developer Leases entered into years ago when the rents were \$7.00 and \$7.50.

These two stores at Springdale and Botwood are \$3.20 per square foot. Stores at Lewisporte, Grand Falls, and Corner Brook were converted to self-service. There is going to be a new self-service outlet in the new shopping mall at Corner Brook. The rental rate there is \$4.20 a square foot on a twenty year lease.

Three regional supervisors appointed, Eastern, Central and Western. They are going to function from St. John's, Grand Falls and Corner Brook.

The first collective agreement was entered into this year, Mr. Chairman, April 1, 1973 to March 31, 1975 the agreement is. NAPE represents the employees. The salary increase approximates thirty per cent over the two years. Now that might be a good point to mention something. The salary increase, Mr. Chairman, approximates thirty per cent over the two years. Now to hear some honourable gentlemen opposite, you would be led to believe, you know, that the cost of living

has gone up more than that. The cost of living has gone up in the last year, as I remember it, approximately 10.7 per cent overall.

Under this collective agreement the salary increase over the two year period is approximately thirty per cent - well ahead of the cost increase in the cost of living.

There are a number of other points here that I do not want to hold the committee on. Monthly union management meetings have been implemented, bi-weekly management meetings, quality control measures implemented in the blending department. The Memorial University Chemistry Department is analysing the products.

As I said last year that there is no control at all over who is a sales agent or representative of any firm, so it does not matter to the commission who they are.

They call public tenders for all goods and services with an estimated value exceeding \$500. That has been implemented. If the value is less than \$500, they call potential suppliers and contractors and request written quotes.

Changes have been made at the Newfoundland Liquor Corporation, Mr. Chairman. It seems to be functioning very well under the new management.

MR. WOODWARD: Mr. Chairman, the question asked the minister that I did not get an answer to, he went on to explain - I asked the minister would he give us his views on establishing liquor agents in areas where it is not economical to operate or build a liquor store.

MR. CROSBIE: I did answer that.

MR. WOODWARD: He did mention this at one time. He very adamantly said, "Look we would probably put liquor into retail stores."

I would like to ask another question of the minister. Is it a fact that now if you are dealing with this type of thing, do you deal with the minister directly and does he set policy for the corporation or do you have to deal with Mr. Avery who is Chairman of the corporation?

MR. CROSBIE: Mr. Chairman, you would have to deal with Mr. Avery and the board of directors of the corporation but if there were going to be some major change in policy such as these agency stores, I think that

would have to go to the government because that is a major change.

Now there has been a study done by the commission on that question, you know, of agency stores. The study has just been completed. The feasibility has been completed and distributed to the Board of Directors who were suppose to have had a meeting in the last couple of days. So presumably we will receive recommendations from them shortly. I do not know what they are going to recommend. A possible answer for the smaller places, such as the honourable gentleman mentioned, if it can be worked out satisfactory, there may be some agency arrangement whereby a business in that particular location could handle, could have a liquor department.

So we have not received that study yet but that would have to be approved by the government. I mean it is a major change in distribution. Of course, the government would have to see what they recommend and then to decide whether or not the government agree with such a change in policy.

MR. WOODWARD: Will it be known when the commission makes a report?

MR. NEARY: Mr. Chairman, I think my colleague here from Labrador has made a good point. I think the question really is: Is this government going to adopt a different attitude towards our native population? Are they going to allow an outlet to be established in Northern Labrador for the first time?

Now, in my opinion, if it be not done, it would be discrimination of the worst kind, because the Indians and the Eskimos, Sir, are going to have their drop of beer anyway. The pots under the beds, Sir, in Labrador North are used for more than just answering to the call of nature. They are filled up with home brew most of the time. It is costing them -

MR. WOODWARD: What is he saying about my constituents?

MR. NEARY: Well it is true. I saw it myself.

AN HON. MEMBER: Inaudible.

MR. NEARY: Mr. Chairman, I have had the pleasure, Sir, of enjoying the hospitality of both the Indians and Eskimos -

AN HON. MEMBER: Under the bed.

MR. NEARY: Not under the bed, Sir, but they had to pull the pot out from under the bed. Before the honourable member came into the House, he never had a pot to -

But, Sir, it is a very interesting point. I think it is about time that we accepted the fact that the Indians and Eskimos now, Sir, should have their own outlet. Whether it is a brewers retail outlet in each community in Northern Labrador, I think the government should come to some decision.

Now, Mr. Chairman, the minister told us that he is going to get this year under this new formula for a licencing establishments, \$286,500 in additional revenue. The total revenue he told us would be \$586,000. Last year it was \$300,000, which means that they are going to get in additional revenue this year roughly \$287,000.

Well, Sir, we may as well face the facts, Mr. Chairman, that this is an indirect form of taxation. Whether the minister should care to call it that or not, it is a form of taxation. It is a form of taxation, Sir, that will be passed on to the customers that visit these licenced establishments. It means, Mr. Chairman, in actual fact an increase in the price of a bottle of beer and a drink of liquor. This is really what it means, Sir. It is an increase.

Now, Mr. Chairman, this seems to be rather peculiar because we were told prior to this honourable crowd forming the administration, Sir, that the price of a bottle of beer in Newfoundland would be reduced when the Tories formed the government. They used to refer to it, as the poor man's champagne. There is one honourable gentleman who is not in his seat tonight who was the old crusader who used to go around this province, Sir, saying "Oh, yes, we agree that the working man should be able to buy a bottle of beer. The only little bit of pleasure he has left." They were not going to take that away from him, they were going to reduce the price.

But, Sir, what this new formula on licencing establishment means is that the price of a bottle of beer has increased. With the one cent sales tax, the minister announced in his budget the day he brought down the budget in the House, that is another cent added on to the price of a

bottle of beer, Sir.

Now, Mr. Chairman, you know, I do not mind the minister getting additional revenue from beer or tobacco or cigarettes. You know, they say there is nothing worse than a reformed drunk, Sir. I suppose I drank enough myself to float the "Queen Elizabeth" across the Atlantic but I have not had a drink of beer, Sir, for about seven years.

AN HON. MEMBER: He is on the wine.

MR. NEARY: I am on the wine, that is right. I am on the pinky. I have not had a drink of hard liquor I suppose in about what - let me see - how long ago, Bill, since we bailed her back down in Hotel Newfoundland?

AN HON. MEMBER: About eight years.

MR. NEARY: About eight years, Sir.

AN HON. MEMBER: When he quit the NDP.

MR. NEARY: No, no, I quit the NDP thirteen years ago. I have been in the House twelve years.

AN HON. MEMBER: That is however long it is.

MR. NEARY: Well I have not had a drink of hard liquor for thirteen or fourteen years, Sir.

Well I do not mind the minister getting additional revenue, Sir, from liquor and tobacco and cigarettes and this sort of thing but I think, the minister would be well advised and I have said this outside of the House, Sir, to keep a close check on the licenced establishments to see that only the cost necessary is added to the price of a bottle of beer or a drink of liquor because the licenced establishments have a tendency,

Mr. Chairman, to soak it to the customers whenever they get a chance.

Now the Minister of Finance announced a one cent increase in the sales tax. My understanding, Mr. Chairman, around most of the licensed establishments in Newfoundland that beer went up the next day by five and as high as ten cents a bottle in some of the cocktail lounges and some of the licensed establishments. This is not good enough, Sir.

The minister reacting to a public statement that I made, said that he was going to have the inspectors go around and check on this but there is no evidence that this has been done, Mr. Chairman. I call upon the minister again tonight to reassure this honourable committee that only the amount of the increase in the tax will be permitted to be added on to the price of a bottle of beer by the licensed establishments.

What protection does a customer have against putting on a surtax on a bottle of beer? Is there any protection? Can the minister guarantee the customers that there will only be one cent put on or two cents put on whatever is necessary or is he going to sit back and allow the licensed establishments to sock it to their customers?

Mr. Chairman, the other day I read a very startling report in the morning news I think it was, "The Daily News" where half of the population of Newfoundland bend the elbow. We were told in that article, Sir, that over half of the population of Newfoundland takes a drink. Well maybe that is nothing to be shocked about.

Then right beneath that big headline, Sir, we were told that there are 10,000 alcoholics in Newfoundland - 10,000 alcoholics. The Salvation Army are just opening a Harbour Light - what is it they call it? Harbour -

AN HONOURABLE MEMBER: Mission.

MR. NEARY: Harbour, no, not mission. What do they call them? Anyway they are opening a centre.

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: Pardon?

AN HONOURABLE MEMBER: Mission impossible.

MR. NEARY: Mission Impossible.

Mr. Chairman, I was rather shocked to find out that there were 10,000, over 10,000 alcoholics in this Province. I must admit and confess Sir, that I thought that it was much less than that, and very little is being done about it, Sir. The government -

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: Pardon?

AN HONOURABLE MEMBER: Inaudible.

MR. ENARY: Well, Mr. Chairman, no provision, it can work in reverse. The Indians and Eskimos of Northern Labrador have no access to beer or liquor at all. So they make home brew.

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: Pardon?

AN HONOURABLE MEMBER: They drink beer.

MR. NEARY: Do they have beer up there now?

AN HONOURABLE MEMBER: In Hopedale they do.

MR. NEARY: In Hopedale. Well that is good. I am glad to hear that. It must have been the former Liberal administration that was broad minded enough to do that.

Sir, there are, so we are told by the people in the know, there are over 10,000 alcoholics in this Province and not too much is being done about it, Sir. It is a very serious problem in my opinion. Drinking in this Province is a very, very, serious problem. It is more serious than the drug problem, Sir.

I think it is about time, Mr. Chairman, that a notice was put on a bottle of liquor the same as is on the cigarettes, a warning, a label be placed on a bottle of liquor explaining the dangers of alcohol just the same, Sir, as the tobacco companies were compelled to put a special label on the cigarette pack outlining the dangers of tobacco.

I think now -

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: Pardon?

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: No, Mr. Chairman, I mean this is a very serious matter. When you go through the estimates, Sir, and you look at the amount of money that is being set aside or given as grants to the various volunteer groups in this Province, Sir, to fight the problem of alcoholism, it is just a drop in the bucket. It should be about 500 times more than it is.

If the government, Sir, are going to push the sales of liquor to try to get more revenue to carry on the public services in this Province then I think, Mr. Chairman, that at the same time they should allocate a substantial amount of money for an education programme. They should start in the schools, Sir and tell the children about the dangers of alcohol.

I think that much more money could be used to carry on an education programme and to help these volunteer groups, Sir, that we have in this Province to try to cope with this problem because after all these people are not being paid. They do not get any big salaries for doing this. They are volunteers, Sir. They have Alcoholics Anonymous and several other organizations that are doing a pretty decent job in my opinion but they are handicapped because of lack of finances, Sir. I throw this out as a suggestion to the government, I do not know if they can do it in this year's budget or not but I think that it is something that they are going to have to think about in the future. The problem is not going to get any better. It is going to get worse if anything, Sir because in this day and age when persons are faced with so many problems that they have a tendency to turn to drugs and turn to liquor to try to forget their problems and when they sober up -

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: Pardon?

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: When they sober up, Mr. Chairman, the problems are still

there. So I think what we need, Sir, is a massive education programme in this Province and I would like to see the minister give a little more attention to this matter of alcoholism.

I understand there are a number of proposals before government now, I think before the Minister of Rehabilitation and Recreation. The minister has a request for funds from some of these organizations. I think the government should take a good, hard look at some of these requests, Sir, because they are very worthwhile. I think it is a problem that has been swept under the carpet too long, Mr. Chairman, and I think something should be done about it. I would like to hear the minister's reaction to this matter because I consider it to be a very serious matter. Fortunately, Sir, I happen to be one of the lucky ones. I used to bend the elbow rather freely in my younger days but when I started to get older, Sir, I mellowed quite a bit.

It is a funny thing, we are going now from milk to booze.

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: No, Sir, I would not do that. I do not have any ill will at all for anybody who takes a drink. As a matter of fact -

AN HONOURABLE MEMBER: Some of the honourable member's best friends take a drink.

MR. NEARY: That is right and I take a drop of wine myself, Sir. I do not see anything wrong with it if you know how to handle it but most people do not know how to handle their liquor, Sir. It is a real problem. I think the minister may joke about it but it is a very serious problem. I must say, Sir, I was extremely pleased to see in the paper the other day that the Salvation Army was opening this hostelry down town. I think it was badly needed. I was working very hard on it when I was Minister of Social Services and Rehabilitation. I think we need a chain of these right across Newfoundland, Sir. We need one in St. John's, one in Central Newfoundland, one on the West Coast. Oh! We need a half a dozen scattered around various parts of the Province.

I think if the government are going to push booze, sell booze,

advertise it, they should also do something to let the people know the dangers of alcohol.

HON. T. A. HICKMAN: May I direct the committee's attention before the honourable Minister of Finance replies to the fact that this year along the lines suggested by the honourable member for Bell Island that the government for the first time has voted, will be asking the committee to vote the sum of \$80,000 to the Salvation Army Alcoholics Centre.

This is a new vote. The Harbour Light Lodge which will open in St. John's under the direction -

AN HONOURABLE MEMBER: One too many.

MR. HICKMAN: - of Captain Donald Snook of the Salvation Army, I think will meet a very worthwhile need and hopefully will be the beginning of a programme to help these unfortunate people throughout the Province.

Last year, honourable members will recall, this administration provided a capital vote to the same organization for the establishment of that centre. In addition we provided, this year as we did last year, we will ask the committee to provide the sum of \$45,000 to the Alcohol and Drug Addiction Foundation. I would not want this committee to go away with the impression that we are not spending money in this direction. We are. I believe that the Salvation Army are probably better equipped than any government organization to carry out this type of programme. They have had a great deal of success everywhere else where they have implemented it.

We have assured them of the support for the first time of the government in this endeavor. I know the gentleman who is heading up the programme is

a right capable Newfoundlander in the person of Captain Donald Snook. I hope and I know that this time next year we will be able to report to the committee that this has had a great deal of success.

Times have changed. I can speak with a great deal of authority, Mr. Chairman, as the past recording scribe of the Sons of Temperance, which was a very worthy organization that has long since gone to its just reward. At that time the philosophy throughout Newfoundland or in many parts of Newfoundland, where the work ethic was in vogue at least, was toward absolute prohibition. That, Mr. Chairman, in my opinion was not a successful type of approach.

I can still see the slogans on the walls; "Wine is a mocker" "Strong Drink is Raging" "Look not upon the wine that is red." I can keep going all night. "What ye behold is sparkling water a beverage prepared by God Himself" etc.,etc., etc.. The belief was that if once one's lips were tarnished by the malts or spirits of liquors one was damned forever and a day.

Well, any red-blooded young fellow was at some time going to try it. Having tried and having his lips tarnished by these malts and spirits of liquors and finding the next day that he had not changed, one kind of lost faith in that kind of approach. Today, again in the areas particularly where the work ethic is still in vogue we have a good programme going in our schools. I do not know who is in charge of it now, it used to be Reverend Isaacs. (What is the name of the programme?)

AN HON. MEMBER: "Come and get me!"

MR. HICKMAN: Come and get me.

AN HON. MEMBER: "Where its at."

MR. HICKMAN: That programme. "The Allied Youth", that is it. The Allied Youth Programme which has been implemented in a lot of the schools throughout the province uses a totally different approach. It does not condemn persons to eternal damnation for having taken the awful step at all. It points out to the young people the evils and

the dangers which can flow from excessive use of it. The only reason why I participate in this debate at all, Mr. Chairman, is that I think the people of Newfoundland should know that this administration is prepared to put its money into this field and put it in really for the first time.

We are very proud of that and I think it can be done without diminishing the returns of the honourable gentleman's establishment out on the Kenmount Road.

MR. SIMMONS: Would the Minister of Justice indicate where those votes are? The ones to which he referred for those items. The \$80,000 and the -

MR. HICKMAN: Page (53).

MR. SIMMONS: I was looking there but I could not find the right one. Which one is the honourable minister talking about?

MR. HICKMAN: (Inaudible)

MR. CROSBIE: Mr. Chairman, that appeal surprised me, made by the honourable Member for Burin. It is well known that he slipped far from the paths of his youth since then and we congratulate him for bringing up that touching vignette. As the Minister of Industrial Development said, the best way probably to stop drinking in this province is to say; "Lips that touch liquor will never touch mine!"

On motion 407-03 carried.

On motion 408-01, through 408-03, carried.

AN HON. MEMBER: (Inaudible)

MR. CROSBIE: Well I know we had a debate on it. If honourable members are satisfied I will not take the time of the committee.

AN HON. MEMBER: Fine! Fine!

MR. CROSBIE: Honourable members may read this memo should they want to. I have to have it back though -

AN HON. MEMBER: (Inaudible)

MR. CROSBIE: I do not mind this one going to the "Daily News". This one would not go to the "Daily News". I will send the honourable gentleman a copy. Anyway, this memo here deals with the whole group life insurance plan. The honourable gentlemen are now anxious to leave my estimates but perhaps it is just worth skimming through it.

TBM-813 of 1972, dated August 23, 1972, requested the secretary of the Treasury Board to establish a committee to investigate the feasibility of introducing a group insurance plan for government employees. The committee selected, Mr. Chairman, comprised the following civil servants: Peter Kennedy Chairman; Jack Burt Finance, Tim McGrath Finance, Mike Fewer (I believe Mike is with Highways) W.Alcock of the Treasury Board and L.Powell.

They decided to have outside assistance and they requested the Chief of Insurance of the Federal Treasury Board, Mr. James Cook, to provide professional assistance. He met with them and outlined the steps to be taken. All government departments and agencies were circulated to provide data on personnel which would be relevant to the determination of premium costs. A survey was made of insurance plans in various government agencies to help them and they developed a set of specifications on which insurance companies were asked to submit bids on the basis of a public tender call.

A total of fifteen companies or groups of companies submitted tenders and different combinations of coverage. At that time it was thought that there might be more than one company underwrite various parts of the plan so some submitted a bid only on a part of the specifications. After reviewing the tenders it was decided (and this was approved by the cabinet on August 27, 1973) to introduce a plan including life insurance, accidental death and dismemberment insurance, drug expense benefits, vision care and major medical expense benefits. Then they had to decide which of these tenders was the best one.

Mr. Cook, from the Government of Canada established the guidelines to analyze these quotations.

AN HON. MEMBER: (Inaudible)

MR. CROSBIE: No. There is a lot of good stuff there.

AN HON. MEMBER: It is heavy stuff.

MR. CROSBIE: Anyway, he established the guidelines

AN HON. MEMBER: If the honourable minister would finish his candy we would then understand what he is saying.

MR. CROSBIE: Okay! So he established the guidelines and they were prepared to recommend an underwriter to the government but to ensure that their decision was a proper one they decided to call in Kates, Peat, Marwick to review their analysis and recommendations.

They met with Mr. David Wright, a consulting actuary with Kates, Peat, Marwick, and after reviewing the whole thing again they decided to invite the four or five companies that made the best proposals for interviews, which was done. Then they made a report to the government and the recommendation was approved by the government. (Minute of Council, dated November 7, 1973).

The plan was introduced January 1, 1974, covering 10,000 government employees. Total enrollment now is 12,000. The reason why I am outlining this, Mr. Chairman, is because there was some suggestion by the Member for Bell Island that there was something wrong with this. It is as pure as the driven snow. Nothing could have been done in a better or more businesslike way. There is no broker, no agent of record.

MR. HICKMAN: (Inaudible)

MR. CROSBIE: Yes! The Deputy Premier wants me to clue up in a hurry and he was just up and spoke for an hour on temperance.

This plan was recommended and Mutual Life was the best proposal. A board of trustees have now been established which consist of both union and management representatives. It will be their responsibility to ensure that the plan continues successfully.

The five best bids were; Crown Life, Mutual, Johnson's, Blue Cross and Imperial. Of those five Mutual was recommended as the best. There was the unanimous recommendation of all that committee and the people consulted that it should go to Mutual who have established a local office to carry this out.

The annual premium is \$2.6 million of which fifty per cent is shared by the government at a net cost of \$1.3 million. You may notice that the vote there, Mr. Chairman, is \$1,500,000 and that is because the other \$200,000 is to share the Newfoundland Teachers'

Association plan. The government have agreed to share the cost of the Newfoundland Teachers' Association plan. That is why we are asking for \$1,500,000.

It is a great step forward, Mr. Chairman. Everything was done, I think, and was done very properly. It is a big step forward I think for the employees of the province and for members of the Newfoundland Teachers' Association.

On motion, 408-04 carried.

MR. CHAIRMAN (Dunphy): Shall the total carry?

MR. CROSBIE: Just before we finish I must thank honourable gentlemen opposite for being so helpful with the estimates of the Department of Finance, Treasury Board and Consolidated Fund Services. I think this is a record for the Department of Finance. I now calculate that it is five and a-half plus five and a-half (that is eleven) plus six (that is seventeen) - twenty hours. A new record has been set on the estimates of the Department of Finance. Twenty hours. I know that only about two and a-half of those hours were validly spent on details of the estimates. I hope that honourable members have not found it boring to deal with my estimates for this long, and having gotten over the miasma, mishmash and general argument that we had, that honourable gentlemen will now carry on with the estimates properly so we can properly go through the estimates of the rest of the departments in the next fifty-five hours.

I particularly would like to thank the honourable Member for Bell Island for his probing of the estimates. I figure that out of the twenty hours we spent here, he spoke about ten and a-half hours and probed for about a half hour.

MR. NEARY: We on this side of the House do not need a lecture from the Minister of Finance, Sir. The Minister of Finance referred to athlete's foot earlier tonight, I think the minister has the foot and mouth disease. We genuinely are probing and trying to get information in this honourable House. The minister has surrounded himself by so many academics down in his department that he thinks now that he is a professor himself and has to get up and lecture the members of the House.

MR. CHAIRMAN (Dunphy): Order please! Order!

AN HON. MEMBER: This is shocking! Shocking!

MR. NEARY: What is the order, Mr. Chairman?

MR. MARSHALL: Has Your Honour called the total yet?

MR. CHAIRMAN (Dunphy): Yes.

MR. MARSHALL: Finance is passed. What is the hopourable member getting up and talking about then? On what point?

SOME HON. MEMBERS: (Inaudible)

MR. MARSHALL: The honourable member is not being relevant. He has been told that he has been twenty hours on Finance, he was thanked in a very courteous manner and he should not be taking up the time of the committee. He has already taken up nineteen and a-half hours and spent a half hour beneficially.

MR. NEARY: It was twenty hours well spent, Sir. After all, the Minister of Finance is the gentleman who brings down the budget, who increases the taxes in this province (and the minister did increase taxes this year) and we had a lot to talk about. We had a lot to say to the minister and I trust, Mr. Chairman, that we made our point. We do not need the minister to tell us how we should carry on with the remainder of the estimates, Sir. We have our strategy planned on this side of the House and the minister will find out as the time goes on just what departments we are going to zero in on the same as we did with that honourable gentleman.

I can think of no minister on that side of the House who deserves to get the treatment that the honourable minister got during the presentation of his estimates. We might have let him off too easy. As a matter of fact, I would have used the whole seventy-five hours on that particular minister and that department if I had had my way. He should thank his lucky stars, Sir. The minister should thank his lucky stars he is getting away so easy.

On motion, Head 400 Department of Finance, carried.

HEAD XVI. RURAL DEVELOPMENT:

HON. J.G.REID: May I have permission to get my Deputy Minister? Permission to get my Deputy Minister, please!

MR. CHAIRMAN (Stagg): The honourable minister wishes to bring his Deputy Minister into the House.

AN HON. MEMBER: (Inaudible)

MR. CHAIRMAN (Stagg): He does not need permission? I would presume permission would be granted anyway.

MR. CHAIRMAN (Stagg): Shall 1601-01 -

MR. NEARY: Is he not going to say something about his department?

MR. CHAIRMAN (Stagg): Shall 1601-01 carry?

MR. SIMMONS: No. Mr. Chairman, I have some remarks I would like to make on the subject of Rural Development. I was fully hoping that before that the minister might have some opening statement but in the absence of that, of course, I am quite prepared to carry on. I am sure he might want to react to some of the things I shall have to say on the subject.

This is the department, the subject of Rural Development is the one that we have heard the most about from the P.C.'s. in the days before they took office. It was to be literally the salvation of Newfoundland. We were led to believe this. There was no programme, no phrase that was more held up in the public eye than Rural Development. It acquired, Mr. Chairman, a sort of magic. Rural Development was indeed going to be the end-all, salvation of all things. In that respect, unfortunately, as anybody here would view this matter objectively, as anybody here in that category knows, a lot of people have been led down the garden path. Rural Development has not proven to be the salvation it was pretended to be.

The most unfortunate thing about it, Mr. Chairman, is that had the government or had the P.C.'s. in their election platform (They subsequently formed the government) put it before the public in a proper and realistic and down to earth-like way, we the people in Newfoundland would not have been in for the kind of let-down we have had in recent months over this subject.

Mr. Chairman, I will not dispute that a lot of money has been spent; the evidence is there. A lot has been spent. Considering the results too much has been spent. I am not going to maintain that the answer is to

cut back on the amounts being voted, except perhaps on a particular subhead. I am going to maintain though that a new direction be found, that some leadership be found for this department.

Now the term rural development has been bandied about an awful lot and I guess it means a lot of things to different persons. I have an impression of what the government want to convey to the people and I believe I conveyed that impression a few moments ago. Government wants it to be very nebulous, wants it to be very vague, so that the people of rural Newfoundland will read anything into it they wish. Therein really is the real crime. Therein is the real sadness of this matter that the people of Newfoundland have come to expect things from this programme that are not forthcoming. Perhaps we ought to ask ourselves what a rural development programme ought to achieve.

I will tell you some things it ought not to achieve first of all. It ought not to get literally dozens upon dozens and indeed approaching hundreds of Newfoundlanders into debt to the point where they have difficulty getting out. It ought not take a man who applies for a rural development loan, lead him down the garden path, have him go and make acquisitions, acquire machinery for the proposed endeavour, only to find after the fact that the original loan of \$10,000 has been reduced by some decision he was not informed of beforehand to \$3,500. I give that as one of many examples, many examples.

AN HON. MEMBER: It is quite hypothetical.

MR. SIMMONS: Mr. Chairman, it is not hypothetical at all. It is a particular case I am thinking of where a gentleman was informed that he had approval in principle for a \$10,000 loan, incurred expenditures amounting to \$6,000 or \$7,000 and was then informed that the \$3,500 that had been advanced to him would be, whether it is \$3,500 or \$3,700 -

MR. DAWE: Give us the name so we can look into it.

MR. SIMMONS: Mr. Chairman, the Minister of Provincial Affairs knows

full well this is not a place to give names. I shall be very happy.

MR. DAVE: It is not a place to bring it up either.

MR. SIMMONS: Of course it is a place to bring it up, Mr. Chairman.

MR. DAVE: Why did he not go see the minister about it.

MR. SIMMONS: If the Minister of Rural Development should want the information I shall be pleased to give it to him privately. I do not think it is the place to discuss names. It is the place, however, Mr. Chairman, I think you will agree, to give examples which bear on the case and I was using it to make the point that I do not think, I do not think, Mr. Chairman, that any rural development programme should inflict that kind of financial pain on innocent persons and that is what has happened in literally dozens of cases.

It is not just inconvenient, it is financial disaster for these persons. Let us keep in mind who is applying for those loans. They are not persons who are already well established in large business. They are persons for whom that \$10,000 or that \$6,000 or that \$4,000 means the difference between making it and not making it. They are therefore, by definition, not persons who can afford to have a very substantial financial reverse.

Mr. Chairman, in due time, if the minister should favour us with some comments at some time in this House, he shall have the opportunity to give views of the programme. In the meantime, I would certainly appreciate it, Mr. Chairman, if you would maintain the kind of order which allows me to put my view in this matter.

I have no doubt, Mr. Chairman, because I have great respect for the many senior civil servants who are involved in the Department of Rural Development, I have no doubt that the programme in its spawning had some laudible motives. That is not the point I am making at all. I am maintaining that, as I said in other words before, that the RDA, and I am just using this as an example of an overall point I want to make, the RDA is very much off the tracks when it allows that kind of example to happen, where a person who cannot afford to have financial

reverses, indeed one finishes him, one means financial disaster for that fellow almost for the rest of his life in a good many cases. If you are going to purport to have a rural development programme and imply in that term that it is going to be the kind of programme that is going to help people. We are told in one quote that I was looking at, when the Premier spoke in Montreal back in February of 1973 and he said then; the important thing is people-oriented programmes. I could not agree more, depending on what you mean by people-oriented programmes. If it be programmes aimed at helping people, by all means, if it be programmes that pretend to help people or indeed even try honestly to help people but in the process hurt a lot of innocent people, then it is a programme that needs some second thinking.

It is not a matter, Mr. Chairman, of the Minister of Provincial Affairs getting defensive or the Minister of Rural Development or any other minister who might have a concern in this matter, it is rather to hear what I am trying to say on the subject and to see if it do indeed hold some weight and go and check it out and if persons are being hurt on this programme, let us not get defensive about it, let us see if something can be done so persons are not getting hurt. I maintain, Mr. Chairman, that a lot of persons a lot of persons a lot of innocent persons are being hurt, hurt financially, being led down the garden path in terms of what rural development will do and when they get to the crunch they find rural development cannot help them at all.

I say before this government can take any bows for having had a successful rural development programme, it must among other things which I shall mention, it must answer that question of whether persons have been hurt, I maintain they have been hurt. They have been hurt financially. There are men in this province today who will probably never recover financially because of an entanglement they have had with the rural development programme, particularly the rural development authority. They will never recover financially barring some kind of a miracle.

They have told me their cases, Mr. Chairman, they are in

sad straights and you know, allowing for men who do not have, when I say men I mean the applicants to the programme, allowing for men who do not have sometimes a lot of judgement in terms of management decisions, in terms of making financial decisions. taking that into account there are still men who have been put in pretty sad straights either by having been given loans that did not serve their particular need, having been advised that the times opportune to the government, like just before election campaigns, by-election campaigns, to take loans when these men should never have been arm-twisted into taking those loans.

I was saying a few minutes ago, Mr. Chairman, that one ought to determine first of course what rural development is all about and I say first of all that it is not a programme which should either deliberately or innocently hurt a lot of persons. It should certainly help persons. If it can be demonstrated that a rural development programme is helping people then it is a worthwhile programme.

A rural development programme certainly should provide some jobs, but that should not be the total definition of rural development. Indeed there are parts of this province today where, as a result of the rural development programme jobs are being provided without any regard for anything else. Jobs are being provided today to men who will curse this programme come a year or two, because jobs are being provided on a today basis, a now basis, without any due consideration of the overall, the future or the permanent implications of what is being done in that particular area. I say that is wrong. I say that kind of a programme we can well do without.

Now, Mr. Chairman, rural development in Newfoundland must be a lot broader than the provision of jobs on a temporary basis. It must be a lot broader than a LIP project under another name. It must be something which will, on a permanent and on a continuing and an ongoing basis, do something for the comfort, for the convenience, for a better way of life for those who live in rural Newfoundland. If we

are going to talk about the rural development policy of this government, of course we must get away from the department itself and look at the overall pontifications that are being made by representatives of the government, be they the Minister of Rural Development or the Premier or some other official of the government, some other politician in the government.

The fact of the matter is that what the government says on the one hand and does on the other do not match up that well. We see lots of examples in this House by way of petitions and speeches from members and I see evidences outside the House in correspondence and in conversations with people, evidences of the kind of desperate need that exist in rural Newfoundland to make it more convenient for those who live there. I am talking of roads and water and sewer systems and ferries and that kind of thing.

Now

that is like motherhood in a way, I suppose there is nobody on the government side who would not agree that is all a good thing. Indeed in the campaign that I have just come through in November, in Hermitage, I heard a lot about what this government are going to do to make rural Newfoundland, that part of it any way, Hermitage District, an awful lot better for those who live there.

One example was the Premier's promise to provide, this summer, a ferry for the people who live at Gaultois, a ferry to take them on a regular, twice daily or what have you basis from Gaultois to Hermitage. Now that is to my way of thinking a most laudible way to help a segment of rural Newfoundland: That certainly as one must agree, satisfies the criterion I have been talking about in the last few minutes, the criterion of making life more convenient, more comfortable and that kind of thing in rural Newfoundland.

I do not argue at all with the Premier for making that kind of a promise. Indeed, I was rather delighted that he made the promise and I shall be seeing to it that he is reminded enough of it that he will eventually I hope keeps the promise.

Mr. Chairman, in the last few days I had occasion to discuss with a member of the administration the matter of the ferry and what had been done. It was quite a casual conversation, so I shall not quote names but just to show you the different kind of attitude, the different degree of concern which exists on an election platform, a week before the by-election in Hermitage and the concern now for those same people in rural Newfoundland.

I mention this example because you cannot as a government point to all you are doing for rural Newfoundland in terms of dollars and cents in a book of estimates. Your real record is how consistent you have been in addressing yourself to all aspects of rural Newfoundland, whether they come under this particular department or not. While the concern was pretty real and pretty live that night in Gaultois when the Premier made his public statement on the subject of a ferry, I talked to a member of the administration in the last couple of days and asked

him, what had been done. In fairly an informal vulgar language the member of the administration said to me, and I shall tidy up the language because what was said is not quotable in the Chamber but the essence was " You know so and so well that nothing has been done about that since."

Now is that the kind of attitude we can take for granted on rural Newfoundland at all or is that an isolated example? Is that one unfortunate slip? Is that the one case where this government have failed to follow through in terms of its pontifications on rural Newfoundland?

Mr. Chairman, were that the only example, of course, I would not even bother to mention it. If I had an unlimited amount of time I could give you many, many other examples where this government are not at all -

AN HON. MEMBER: Inaudible.

MR. SIMMONS: I am sorry!

AN HON. MEMBER: Inaudible.

MR. SIMMONS: Mr. Chairman, I have said publicly on the radio this morning, on the "Open Line-Show" in Grand Bank, that I was received most cordially by the Minister of Municipal Affairs, that we were very happy with the meeting and so on. But I am sure as the Minister of Municipal Affairs knows, I was addressing myself to rural development, always wanting to be very relevant. But since he has raised the questions, I told him privately and I hope that the minister realizes that what I say to him in private I am prepared to say to him publicly, as I told him yesterday, I was rather glad for the way he received us and for the consideration the delegation in Gaultois received in his presence. I said that to him privately. I want him to know and he can check with his constituents in Fortune Bay, who may have been listening, I said also publicly on the radio this morning -

AN HON. MEMBER: Inaudible.

MR. SIMMONS: Well I can - it is not quite under rural development.

AN HON. MEMBER: Inaudible.

MR. SIMMONS: Of course, in the minister's opinion, Mr. Chairman, the Minister of Rural Development's opinion, that would not at all be a part of rural Newfoundland.

MR. REID: Inaudible.

MR. SIMMONS: Mr. Chairman, if the member want me to make a speech on the Minister of Municipal Affairs, I am prepared to do it with the understanding that I shall elaborate on my various feelings about him. Not only to the extent that he helped us yesterday morning -

AN HON. MEMBER: Inaudible.

MR. SIMMONS: That is right, Mr. Chairman, the government made so many promises during the election campaign, all I had to do during the first year or two in office is just see to it that they are reminded often of their promises.

Mr. Chairman, the Member for St. George's is most helpful so I shall under the heading of Rural Newfoundland on Rural Newfoundland tell the Member for St. George's, I suppose Gaultois is beyond the overpass. Sure Gaultois would certainly be in rural Newfoundland. The Minister of Rural Development indicated a minute ago, he did not know. Of course, he does not know.

AN HON. MEMBER: Inaudible.

MR. SIMMONS: Mr. Chairman, I already said in my comments -

MR. CHAIRMAN (STAGG): Order, please!

Whether the honourable member has invited comments which are irrelevant or not, it is immaterial at this time. I suggest that the debate which now has been proceeding for a few minutes and has every prospects of proceeding indefinitely is irrelevant to Head 16-01-01, Minister's salary. I suggest to all honourable members, in particular honourable members to my left, that the Member for Hermitage has the right to be heard in silence. If there are rulings to be made as to his relevance or irrelevance, the honourable members can rise on a point of order or certainly the Chair can exercise its authority.

MR. SIMMONS: Thank you, Mr. Chairman.

Mr. Chairman, Gaultois is very much a part of rural Newfoundland and one of the things that the Minister of - before saying that, of course, I should point out that I have already said that I recognize that any government which would address itself seriously to problems of rural Newfoundland cannot confine its concern within one department. While I am not talking in particular about the efforts of this particular department, I am addressing myself to the government's rural development programme. I do believe this is the place to do it.

Certainly Gaultois is very much a part of rural Newfoundland. In that respect, we did as the minister indicates, have a meeting with him, a very cordially meeting with the Minister of Municipal Affairs. One of the items that were settled, for the information of the Member for St. Georges, is that a council should not have to pay \$16,000 interest on a grant, a grant that was given three years ago. It has been disputed as to whether it is a grant or a loan. In fairness, I have to say that. But the minister yesterday recognized exactly what it is, and he has agreed to hand back the interest to the council concerned. I am glad for that and glad for the council. I am glad for the principle too, because it does recognize that what has been disputed, has been a loan for a long time. It is obviously not a loan or else government would not be handing back the interest on it.

The minister also pledged to have his officials take a close look at the road for Gaultois, from the Room across the point down to the bottom of Gaultois, the road which was another of the commitments of the Premier during the Hermitage by-election. So as the minister has intimated to the committee, we had a most successful meeting yesterday. Several weeks from now, if I get the opportunity in the House, I shall then be able to tell the House once again and the Member for St. Georges, in particular, how successful the meeting of yesterday was. In my opinion, right now it was very successful. How successful it will be ultimately will depend on how the minister follows through on the several commitments that he made for which the people of Gaultois and I are most grateful.

I should have also said that we had a nice meeting with the Minister of Transportation too, about problems affecting a part of rural Newfoundland, but since he is not here to hear my words, I shall - he heard them privately yesterday and they were on the "Open Line" this morning. So I have given him credit where credit is due.

Mr. Chairman, I was saying though that any rural development programme worthy of its name must be a programme that addresses itself to the total problem of rural Newfoundland. It is pretty cheap politics to provide a few temporary jobs, I am aware that the few, are several hundreds but I am saying temporary and few in the sense of the kinds of jobs we need in this province.

Temporary they are in a good many cases. It is cheap politics to do that without addressing oneself to the overall concerns of people who live in rural Newfoundland. I am all for sawmills, if they provide jobs. I am all for almost any industry that can thrive in rural Newfoundland provided it provides jobs. Let it be not misunderstood that I am against that kind of thing. That is not the issue.

The issue, Mr. Chairman, is that government, whatever department, must address itself to all the problems, to preserving the rural way of life. we do not persevere

preserve the rural way of life in Newfoundland just by building sawmills, particularly if it involves loans for sawmills for which they cannot get the timber rights. We have had cases of that too, where RDA has given a loan and forestry will not give the permit. They have that kind of thing go on.

We must have a concern for rural Newfoundland that preserves the way of life, that does make it more convenient, that does make it more attractive to the people who live there. Now we have been told of course that the Rural Development Programme has done all these things. I shall keep most of my comments until we get down to the appropriate head, the Rural Development Authority, at which time I hope to have some things to say about the Authority itself.

In the meantime, just a couple of other comments about the overall emphasis or lack thereof of this government in the area of Rural Development. I mentioned earlier that during the election campaigns and indeed first when in office, there is all kinds of emphasis. Rural Development was going to be what one had for breakfast, dinner, supper and lunch before one went to bed. All the time, Rural Development, Rural Development.

It was by far the most lauded programme of this government. Not only, Mr. Chairman, is it the most lauded programme of this government but it is fast becoming the biggest embarrassment of this government. It is fast becoming the most grotesque, the biggest failure of this particular government. The evidence is all around us. There are dozens and dozens of reasons why I can say that in truth.

I will be happy at any time to hear a speech - I will point out the first speech from the member for St. George's, at any time, Mr. Chairman.

AN HONOURABLE MEMBER: Inaudible.

MR. SIMMONS: Or a speech, a nice speech from the Minister of Provincial Affairs.

MR. DAWE: Follow the Leader of the Opposition now. Be nice and

nasty, be you not? People in Newfoundland love that kind of stuff.

MR. SIMMONS: Quiet a speech, is it not? Are you timing him, Mr. Chairman? I would not want him to talk over forty-five minutes.

I am prepared at any time, Mr. Chairman, to listen to the ideas of the - is it the senior member for Harbour Main?

AN HONOURABLE MEMBER: The senior member, yes.

MR. SIMMONS: Any time at all.

AN HONOURABLE MEMBER: Watch it. He is very sensitive on that point, so watch it.

AN HONOURABLE MEMBER: Yes, I would not blame him a bit.

MR. SIMMONS: Mr. Chairman, as long as those guys are enjoying themselves.

Mr. Chairman, the real problem I believe here is the overall leadership question to which I referred a short while ago, the business of the left hand not knowing what the right hand is doing or to put it more in perspective the left hand not knowing what the left hand is doing. Let us talk about the left or the right hand whichever he is, the Premier.

The Premier talking again about Rural Development loans, about the programme in the Department of Rural Development generally. Just a year after his administration took office, January 18, 1973, he addressed the Rotary Club here in St. John's and said a number of interesting things. One of the things, for instance he talked about rural Newfoundland and reminded us of the issue with respect to the fish plant at Burgeo and how there would be another fish plant if they get the money - if. There is going to be a sawmill in Bay D'Espoir if the federal government come through. There is going to be something else if.

Mr. Chairman, one of the things that the Premier said to the Rotary Club on January 18, 1973 is this, "My colleagues and I began this exercise in political science." He sees it as some kind of an academic exercise obviously. "My colleagues and I began this exercise in political science with a number of basic principles." Notice he said that they began the exercise that way.

"One of them was that we would not make great announcements of things that might happen, that are to happen sometime far in the future or that will be happening if some other factor is present."

Mr. Chairman, how does the Premier and how does the administration jibe that statement with the if announcement we had on Burgeo, the if announcement we get on the sawmill for Bay D'Espoir and all the other if announcements we have had about various parts of rural Newfoundland?

The real point I wanted to make in referring to his speech to rotary a year ago is where he gets into the matter of Rural Development. "The last department I will deal with is the Department of Rural Development: I have held that until last with the hope that when you leave here today, you will have some figures I am about to give you fresh in your minds." He goes on to give figures about fifty-five firms, 2,000 jobs and so on.

"The government did not have to spend one cent to provide these new jobs. It was however necessary to loan these firms nearly \$3.7 million, all of which is recoverable and which will be repaid over the next few years." January 18, 1973 the Premier says, in referring to the loans had been given, "All of which is recoverable and which will be repaid over the next few years." That is on January 18.

Then a month and a few days later he goes off to Montreal and makes a speech on February 26, just a month or so after he addressed Rotary in St. John's. Again he talks about job creation in Newfoundland rural communities and the shift of emphasis to people-oriented industries and that this was the secret of putting the province's economy on its feet.

He went on to say, "Not the big industries, the Churchill Development and that kind of thing which the former Premier had been preoccupied with but the people-oriented industries are the secret to putting the province's economy on its feet."

Then he told about what had been done and how many jobs had been created. He said, "Newfoundland's Rural Development Programme has created 1,500 jobs this year at sawmills and similar operations."

Then and I quote him, "We have spent \$2 million to create those 1,500 jobs." And I am still quoting him, "We will be lucky to get even half of that back." There is the Premier that a month and eight days before could stand before a Newfoundland audience and without a twitch, with a straight face maintain that all of the money paid out was going to be recoverable. A month later he says, "We will be lucky to get half of it back."

Mr. Chairman, apart from the inconsistency in that statement which does not bother me (He has got to live with that.) it is the mischief that is in it, the mischief that says to every fellow in Newfoundland who has a loan, "Do not bother to worry about paying it back." That is what concerns me about this kind of inconsistency, that many people who had been given the idea of applying to government for a loan to start or continue or expand a small industry, many people have been discouraged because they felt they could not pay a loan back.

Still we have a situation where many people who have the loans are being told publicly by the head of the government of this province, "Do not worry about it. We are not expecting it back anyway."

Mr. Chairman, if that be the kind of attitude which a Rural Development Programme is implanting in the minds of the Newfoundland people, we can well do without it. If that be what the Rural Development Programme consists of, some kind of a selective give-away, we can do without it.

Indeed, Mr. Chairman, if these were the biggest sins of the misguided Rural Development Programme of this government, one could excuse them on the grounds of being human. Those administering the programme are going to be obviously the victims of some errors. But this whole bundle, Mr. Chairman, this whole thing from beginning to end, this thing that I as a person who have been living in rural Newfoundland, that I took encouragement from when I first heard about it from the Premier himself in meetings with him, this programme that raised the hopes of literally every person who lived in rural Newfoundland

has been reduced in two short years - I will come to what I think is the approximate reason in just a minute - to a set of estimates, a lot of disillusioned people across the province and several hundred of other persons who have loans that are going to bring them to grief in no time at all, about a year or two,

and a number of other persons who have jobs that they are not going to have too many months hence.

Mr. Chairman, since I am aware that in the rebuttal to anything I might say on this subject which might hit home, since I am aware that the tactic has been, if I have been a keen observer of this House at all, the tactic has been to zero in on what the opposition did not say and amplify that instead of addressing themselves to the points which have been raised, since I am aware that that is a tactic, let me cover my tracks slightly by saying this; I am aware that rural development has provided a number of jobs which at least I hope and I believe will continue. I would invite those who have occasion to rebut anything that I have said on the subject to address themselves not to the red herring but rather to the issues that I have raised, that there are people who are being disillusioned, there are people who are going to be caught in the financial trap because of the scheme which they are being dragged into under this rural development programme.

That is not to say, Mr. Chairman, that there are not a number of worthwhile jobs being created. Even the law of accidents, Mr. Chairman, the law of averages says that if you go at a programme this massive, some good, however mischievous your purpose, some good has to come out of it. I do not deny that. I can quote for you, Sir, examples of industries which I believe will succeed and which have to thank the provision of funds under this federal-provincial programme, the Rural Development Authority, have to thank that authority and the provision of these funds for their continuance and expansion at the present time.

I said a minute ago, Mr. Chairman, that I would say what I felt was the crux of the issue. I believe there are a couple of problems which are resulting in this thing being the shemozzle it has become. I believe also that the reason there is not a bigger shemozzle than there is, is because of the army of qualified civil servants, such as the deputy minister whom I am pleased to see here tonight, because of the army of qualified civil servants who despite the inconsistencies

in policy direction which go on above them, despite that are able to maintain some semblance of a programme here. And if this programme has benefited some Newfoundlander in some Newfoundland Community, as it has, the credit is due that army of civil servants who despite the frustrations they are subjected to by a policy that says one thing two weeks before an election and something else after the election, despite all that they have been able to maintain some kind of a programme and make it available to the people of rural Newfoundland.

I have great respect for the men who have been tripping about this country. They met with the development association in Green Bay which it was my privilege to be the president of for a number of years, indeed I met with the minister and some of his officials on one occasion, Sir, I have great respect for those men as I say who have to trip around the country and attempt to make this programme work and have some success despite the frustrations which must be theirs because of the context and the mess, I should say to not use the words too well, the mess in which the policy direction of this programme is.

What then, Mr. Chairman, in my opinion is the real problem? I believe there are two. I believe the first one is that this was an advertising of public relations, a vote gimmick from the beginning. I do not think anybody in the administration every either properly understood what they were talking about when they talked about rural development or intended to do one thing about it except some window dressing, and window dressing in political terms usually involves some money and all the better if you can get a fair amount of that money from Ottawa.

I do not think, Mr. Chairman, that at any time there was ever, at the political level, a conscious effort to come up with a rural development programme that would benefit the people of rural Newfoundland. If you have no aims, no objectives, no overall purpose for a programme in the beginning, how can it succeed? There is the first problem.

That alone, Mr. Chairman, would not be fatal because while there has not been that kind of thinking at the political level, I firmly believe there has been that kind of thinking at the civil servant level. Inevitably -

AN HON. MEMBER: Inaudible.

MR. SIMMONS: Yes, Mr. Chairman, in some respects the senior civil servants do recommend policy but the operative word is recommend and they can recommend until they are blue in the face but if government do not accept it as an ongoing policy, it never gets off the ground, or if government accept it without understanding what is involved, it is worse still. Perhaps that is what has happened. I could elaborate on that but that I do not think it is the crux of the issue. I said I believe the issues are two. The first is I do not think the government ever for one fraction of a second had any conscious intention to implement a rural development programme. I say that because I do not think the administration or the leadership in the administration, the two or three or four leading lights in the administration know enough about rural Newfoundland to know what the problems of rural Newfoundland are.

AN HON. MEMBER: Inaudible.

MR. SIMMONS: Mr. Chairman, I have been here long enough to know that I am not going to convince the Member for Bonavista South or the Senior Member for Harbour Main.

AN HON. MEMBER: Or the press or the gallery.

MR. SIMMONS: Yes, they are always worried, Mr. Chairman, particularly about the press and the gallery, always worried about the press and the gallery. Let them worry.

Mr. Chairman, I believe the second problem is the one that is the biggest indictment of all and that is that the leadership is lacking here, the political leadership lacking at two levels. We have seen how it is lacking at the government level. We have seen how government just does not have leadership in this House, whether on rural development or what the subject, and that problem of course has to have its effect on a programme like this which has to be nurtured, which

has to be looked after, which has to be led. You cannot do that without a leader, that is the number one problem insofar as the leadership is concerned.

Problem number two of course relates to the leadership of the department itself, the Minister of Rural Development. Here, most unfortunate. but I feel it strongly and I have to say it, I feel that if this department had a leader, a minister who was giving due attention to his responsibilities as minister, if he were a full time minister, if he did not have outside interests which preoccupy him to too large a degree for him to give his time and effort to the department, I believe we could expect more and indeed see more from this department.

I certainly, in the interest of salvaging this kind of a programme or this programme, in the interest of seeing that the money does get spent as wisely as possible, I would certainly appeal to the Premier and to the government to do at least a small Cabinet shuffle, to see at least that this department is put in the hands of someone who has the time and the knowledge to manage the department.

This programme is too important to be led on a part time basis. This programme more than any other programme, Mr. Chairman, requires a full time, dedicated, inspired, knowledgeable, competent leadership.

AN HON. MEMBER: That is what it has got.

MR. SIMMONS: It has not. It has not, Mr. Chairman. There is the crux of it. If government be really concerned about this rural development programme, about salvaging it

while there is time about making some political mileage on it or more important about doing something for the people in the communities of rural Newfoundland. Lethim start, lethim show good faith by having a cabinet shuffle tomorrow, and putting the Department of Rural Development into the hands of someone who is knowledgeable who has the time and who has the competence to do this particular job. Thank you.

MR. NEARY: Mr. Chairman, before the minister responds, I wonder if he would just allow me a minute or two, I am not going to be very long. I do want to say, Sir, at this particular point in the discussion that on behalf of the residents of Bell Island, in my district, I want to express a word of appreciation to the minister for the excellent co-operation that I got from him last year in dealing with a couple of problems that we had on the island in getting a fish plant started up and getting some agricultural projects underway.

Mr. Chairman, I went to the minister's office one morning, I think it was about 10:30 A.M., and the minister and I, his deputy and one of his directors, within half an hour were aboard the ferry headed for Bell Island.

AN HON. MEMBER: (Inaudible).

MR. NEARY: That is what I said. I want to publicly thank the -

MR. CROSBIE: (Inaudible).

MR. NEARY: Maybe tomorrow, Sir, when I have some criticism of the minister's department, he may not -

AN HON. MEMBER: (Inaudible).

MR. CROSBIE: I do want to publicly thank the minister, Sir, for his assistance last year. As a result of the minister's visit, I think the Bell Island Development Association received a grant of \$3,000 over and above their regular \$10,000 grant. Is it a \$10,000 grant they get every year? They did get an extra \$3,000 to get a salt fish plant started over on the federal wharf.

Mr. Chairman, I must say that it is a real pleasure this year, this spring, when I go over to the island on weekends and so forth, now that the House is sitting, and drive off the boat and see all

the fellows who would be ordinarily unemployed down scraping their boats and painting them up, getting ready for the spring fishery.

AN HON. MEMBER: (Inaudible).

MR. NEARY: I am quite serious about this, Mr. Chairman. This little project is due in large measure, of course, to the co-operation of the Fishery Loan Board and the minister's department. The boats are there. If they get any fish worthwhile this year, Sir, that is going to be a very worthwhile venture. Believe me, it is. I do not know how many honourable members have ever been on Bell Island.

AN HON. MEMBER: (Inaudible).

MR. NEARY: The minister was not allowed down in number four mine when he was over there.

AN HON. MEMBER: (Inaudible).

MR. NEARY: That is right. I saw the Minister of Provincial Affairs. As a matter of fact, I was down looking at the fish plant one day and I saw this speed boat racing across the Tickle and I went over to see what was happening (I thought we were being invaded) and lo and behold! Sir, but who steps up over the wharf on his way over to the most popular place on the beach over there but the honourable minister, in his Bermuda shorts. I only wish I had to have a camera, Sir.

AN HON. MEMBER: Wide angle.

MR. NEARY: Yes, wide angle.

AN HON. MEMBER: Try it on George McLean.

MR. NEARY: Mr. Chairman, this salt fish plant in the D.O.T. building there on the federal wharf is rather unique in Newfoundland. Now unfortunately last year they did not get too much fish. Fish was scarce not only in Conception Bay but all over Newfoundland. But, Sir, it would be worth your while to go there when this plant starts up. I am telling you, it would do your heart good. I do want to publicly thank the minister for his co-operation in getting this plant going. The plant was started by the previous Liberal Administration, I will have to say that. It did not get started until last year. It would not have been able to get started but for the \$3,000 grant that the

minister gave the Bell Island Development Association to help pay their expenses and get the thing off the ground.

Mr. Chairman, they salt the fish and sell it to the Newfoundland Salt Fish Corporation. I do not think they made any money off it last year. It will take about three, four or five years really before the plant starts to pay, as the minister probably knows.

Then there is the matter of greenhouses, Sir. We started off, I think when the administration took over with about six greenhouses on Bell Island. This year there will be about thirteen greenhouses.

AN HON. MEMBER: (Inaudible).

MR. NEARY: I was over last weekend, Mr. Chairman, and I went in one of the greenhouses and the rape, the greens, are up now about one inch-and-one-half or about two inches above the ground. About this time next week any member on either side of the House, Sir, who wants a meal of greens, just let me know and I will be able to get them over in the greenhouses on Bell Island.

AN HON. MEMBER: (Inaudible).

MR. NEARY: Up go the hands..

The tomatos production on Bell Island this year, Mr. Chairman, will probably run around about thirty or thirty-five tons of tomatoes produced on Bell Island this year. They will be sold to the local supermarkets. Some of the members on the government benches will be going down to the stores here in St. John's, the big supermarket chain, buying tomatoes, Sir, produced on Bell Island.

AN HON. MEMBER: (Inaudible).

MR. NEARY: No, the programme was started by the previous administration. As a matter of fact, the same deputy minister -

AN HON. MEMBER: (Inaudible).

MR. NEARY: I am coming to that. When I get finished with the minister, I will come to the deputy minister.

AN HON. MEMBER: (Inaudible).

MR. NEARY: But, Sir, we will almost triple the tomato production on Bell Island this year. I think that that has the makings of a fine industry, Sir. It does. I have advocated for a long time that with the climate we have in this province that one has to get under the plastic. Yes, one does.

AN HON. MEMBER: (Inaudible).

MR. NEARY: It is just a family operation. I do not think it will create many jobs but at least it will take one family; a man, his wife and the kids helping around. It will take a family off welfare. Mr. Chairman, you need about three greenhouses.

MR. DOODY: (Inaudible)

MR. NEARY: Mr. Chairman, the minister thinks that that is funny but it is true, Sir.

MR. DOODY: (Inaudible).

MR. NEARY: I mean, I have my own style.

AN HON. MEMBER: (Inaudible).

MR. NEARY: The minister accused me of being under the beds down in Northern Labrador.

Sir, this is one good feature of the programme. I think we have about seven additional greenhouses on Bell Island this year, thanks to the Rural Development Authority granting these people loans.

Last weekend when I was on Bell Island, Sir, I went into a stable and I saw a number of dairy cattle there. This gentleman got a loan from the Rural Development Authority and he is now raising dairy cattle and I think everybody knows that there is a real need for this in this province. We do not have enough dairy cattle. This gentleman is going to raise them. I do not think he is going to go into the milk business himself.

There are other people over there who have applications in for greenhouses, raising sheep, hog breeding. I think the minister knows that the Bell Island Development Association is working on a

proposal now under, not LIP, what is the name of the programme? Is it LIP?

AN HON. MEMBER: (Inaudible).

MR. NEARY: Yes, but they cannot do it unless they get the co-operation of the minister's department. This has the makings of a good industry.

All in all what I am really trying to get at here, Mr. Chairman, is that I want to publicly thank the minister for his co-operation, for coming to Bell Island last year at such short notice. The minister indicated to me outside the House tonight that he would like to go over to Bell Island soon to take a look at some of the recent developments over there since his last visit. I would certainly be glad to accompany the minister if he wanted me to take him around the island like we did before. The minister had a wonderful reception. When he came back -

AN HON. MEMBER: Did he see Des White?

MR. NEARY: He saw Des White but only in his office. The minister had lobsters. What else did the honourable gentleman have? Greens. The minister came back and one would not know but it was Christmas. He had fresh salmon. We just happened to get there during the salmon season.

AN HON. MEMBER: (Inaudible).

MR. NEARY: No, that is not my reason. I am really sincere. I do want to thank the deputy minister, Sir, because the deputy minister happened to be the one who was in the Department of Agriculture at the time that we got the greenhouse project off the ground on Bell Island. Then, of course, Mr. O'Reilly became the Deputy Minister of Rural Development. Now they are continuing the programme. It is all very worthwhile Sir. There are

certain aspects of the minister's policy that I do not approve of and I do not agree with and I will say so tomorrow in the debate but in my introductory remarks I do want to sincerely thank the minister for his co-operation on behalf of my constituents. They do appreciate, believe me, they do appreciate what is being done for them. I am sure that when the minister goes to Bell Island again, that he will get a royal reception, believe me he will, because I found the minister during the time that he visited Bell Island a down-to-earth type of man. He seemed to be able to explain things to people in their own language. They understand him.

I have a feeling that the minister genuinely wants to help people and these people over there are looking forward to the day when the minister will come back again and I hope that he can come back during the tomato picking season so we can give him a basket full of tomatoes to bring back with him.

HON. J. REID (Minister of Rural Development): Mr. Speaker, it seems that he is doing exactly what he did a few years ago when he was working with the NTA. I will assure you that Dr. Rowe remembers it up to this day, how he was trying then to mislead the general public and for sure he is going to try to do it with Rural Development. He is speaking about the loans that will never be paid back that the people will never be able to do it, these loans, a sacrifice they are making and they will never be able to pay back these loans. We never asked one soul to take these loans on their own. These people come looking for applications and the civil servants are the people who visit these people, the people from my department and people working all over Newfoundland, the Rural Development fieldmen. They visit the people when they inquire.

These people take all of the necessary information. It is not a handout and we are certainly not trying to crucify. We are doing our best to certainly develop the small industries in Newfoundland. I feel sure that we will do that and I will assure the

honourable member and I will certainly give my department a tremendous lot of credit because I have a very hard-working, honest staff, I feel that they are working with me as well.

The member for Hermitage spoke about a man getting a loan of \$3,500. That is certainly a possibility. He might have wanted \$10,000 but if our fieldmen and the board felt that we should never give this person that money and he would never be able to pay it back and we would be doing more damage then by giving him more, we turn down these loans.

We have never made anyone take a loan. Another thing the member for Hermitage spoke about was twisting arms. We are not going to twist anyone's arm but we would certainly like for them to take advantage of our loans if we think in that particular area they have something worthwhile and it is going to be a good viable thing.

We are out there working throughout all Rural Newfoundland.

Speaking about me with my business and devoted so much of my time and have not got time to work with my department, I would like to know the human being that put any more time in travelling all over Newfoundland and Labrador anymore than I did since I became Minister of Rural Development twelve months ago.

I think personally the honourable member is afraid. Not only him but we have several Liberal members who are not boosting Rural Development. They are afraid in their districts that we are going to make a great contribution and regardless if one be Liberal or not, statistics will show that percentagewise we are helping the Liberal districts just as much as any other P.C. district.

I feel that our people here want me to do that and I feel quite confident that the persons working in my staff certainly are doing that. Remember we have a lot of Liberals on our staff, a lot of staunch Liberals, but I still think that they will work and do a job for Newfoundland.

As I said just now, our civil servants travel all over Newfoundland.

They phone our office, they phone the Deputy Minister or any other office or phone the different headquarters or anywhere around Newfoundland where our few men are they are only too pleased to go and investigate and see if there is any way possible that we can help the people in rural Newfoundland.

Now we are not only helping sawmills. I can name twenty-five or thirty different types of industries where we are helping here in Newfoundland. Before I finish or after I am finished with the estimates, I would certainly like to go through my department before I finish up. I am not going to sit here quietly until it is all over. I might sit very quietly until the estimates are through but I will assure you that I will go through rural Newfoundland as far as Rural Development is concerned before I finish here.

MR. CHAIRMAN: The member for Bonavista South.

MR. MORGAN: A few words on this estimate, mainly in reply to the statements made by the speakers on the opposition side of the committee.

The statements made by the honourable member from Hermitage must and should be taken strong exception to by all members of this side of the House of Assembly. He refers to Rural Development and a Rural Development Programme as a scheme, a scheme to hurt Newfoundlanders.

I cannot see, Mr. Chairman, how making loans available to Newfoundlanders who want to either expand their business or to start a business which is going to employ rural Newfoundlanders, how that kind of a programme is going to hurt Newfoundland and hurt Newfoundlanders.

We have heard the same gentleman in earlier debates state that the programme was a partisan programme, it was filled with political payoffs. Now, unfortunately, tonight we see one of his own colleagues condemn that kind of philosophy, condemn that kind of thinking by the official opposition, because the honourable member for Bell Island pointed out quite clearly that the programme is helping his district, a Liberal

district. I am sure it is helping other Liberal districts, for example, Bonavista North, my neighbouring district. It is helping Liberal districts. I think it is a strong word of encouragement to hear the member for Bell Island, for him to have the courage to stand in the House of Assembly and condemn his own colleague and his own colleague's belief with regards to a certain programme of this government, because tonight he did that.

AN HONOURABLE MEMBER: Inaudible.

MR. MORGAN: Facts are facts. If the programme is creating employment and if the programme is working well in Liberal districts as well as in P.C. districts, how can it be labelled as a partisan programme? The honourable member for Hermitage has labelled this Rural Development Programme as a programme of political payoffs. He said it time and time and time again in this House, outside of this honourable House.

The fact is that his own colleagues do not believe him now, Mr. Chairman. That is very encouraging. Tonight he said in a statement and I quote him, "The biggest failure of this government is a Rural Development Programme." Two minutes after or ten minutes after one of his own colleagues stands and says, "Oh, no, the programme is good. It is working well in my district, creating jobs in my district."

AN HONOURABLE MEMBER: Inaudible.

MR. MORGAN: There seems to be a conflict. There seems to be a conflict. Then the honourable gentleman from Hermitage points out that it is only the civil servants who are doing this, the civil servants are making this programme work.

Sure, Mr. Chairman, the same programme to help rural Newfoundland was there five years ago, was it not? The civil servants were doing the same thing then as they are now. Oh! that is trash. The programme and policy was not there five years ago. The same civil servants were there five years ago, many of them.

It is a new policy, a new department, a new hope, spearheaded by a man who is giving extremely good leadership to Rural Development in Newfoundland.

AN HONOURABLE MEMBER: Here! Here!

MR. MORGAN: Mr. Chairman, it being eleven o'clock, I adjourn this debate.

On motion that the Committee of Supply rise and report having considered the matters to them referred and passed certain items of expenditure under Head IV - Finance, all items, and have made further progress and asked leave to sit again, Mr. Speaker returned to the Chair.

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

It now being 11:00 P.M., the motion earlier being that I do now leave the Chair until tomorrow morning.