



PROVINCE OF NEWFOUNDLAND

THIRTY-SIXTH GENERAL ASSEMBLY  
OF  
NEWFOUNDLAND

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Volume 3

3rd. Session

Number 55

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**VERBATIM REPORT**

FRIDAY, APRIL 26, 1974

SPEAKER: THE HONOURABLE JAMES M. RUSSELL

The House met at 10:00 A.M.

Mr. Speaker in the Chair.

MR. SPEAKER: Order, please!

MINISTERIAL STATEMENTS

MR. S. A. NEARY: Mr. Speaker, before you get to ministerial statements, Sir, I would like to rise on a point of personal privilege. I refer to an article, Sir, in this morning's "Daily News". It is headed "Crosbie says Steve did it." Just above, Sir, is a girl with a baby in her arms.

Now, Sir, I am right in between the Premier with his - Sir, I do not know if this warrants a judicial enquiry or not but certainly a select committee of the House should be set up to investigate this statement.

REPORTS OF STANDING AND SELECT COMMITTEES

HON. C. W. DOODY (MINISTER OF INDUSTRIAL DEVELOPMENT): Mr. Speaker, I have here the details on the trawler subsidy agreement between government and the National Fish people and between the Atlantic Sugar people and Marystown Shipyard. In accordance with the legislation these details should have been tabled fifteen days after the agreement was entered into. It is somewhat late but we have it here anyway. Thank you.

MR. SPEAKER: Answers to questions for which notice has been given -

ORAL QUESTIONS:

ORDERS OF THE DAY

On motion that the House resolve itself into Committee of Supply,  
Mr. Speaker left the Chair.

COMMITTEE OF SUPPLY

MR. CHAIRMAN (STAGG): Order, please!

For the information of honourable members we have now consumed twenty-one hours and thirty-six minutes.

The honourable Member for Bonavista South.

MR. J. C. MORGAN: Thank you, Mr. Chairman!

Mr. Chairman, last evening I was referring to the attitude of members of the House of Assembly towards the programme of rural development. I was comparing the attitude of the members on the opposition side of the House. Fortunately, I think that the opposition members are realizing finally that this programme is a good programme. It is working for the

House. Fortunately, I think that the opposition members are realizing finally that this programme is a good programme. It is working to the benefit of rural Newfoundland. It is not what it had been labelled in the past; as a programme of political payoffs, a programme of political patronage.

I think this was indicated to the House of Assembly last evening when the honourable Member for Bell Island, as I earlier stated, had the courage of his convictions to stand in the House of Assembly and give credit where credit is due. To point out that the programme is working well in his district. It is creating jobs. It has helped to establish a fish plant. It has helped to establish greenhouses. It has also helped in the dairy farming business I think he mentioned in his district.

These are just examples in his own district which are similar to the examples in our districts, on the government side because there is no discrimination in regards to the applications being made. The application processed by the Rural Development Authority are based on the feasibility of the projects that the assistance is applied for. There is no question whether the individual applicant is a P.C. or a Liberal or a N.D.P., as was earlier charged and stated over and over by colleagues of the honourable Member for Bell Island.

To listen to a spokesman on the Rural Development, from the opposition side of the House of Assembly, to listen to him stand in this committee yesterday and to say that this was one of the biggest failures of this government, the Rural Development Programme. It leads me to ask a question - Is the honourable Member for Hermitage standing alone? Does he have the support of his caucus? Is he just indicating his own personal views on this programme? And on Rural Development? And the policies of Rural Development by this government?

It seems to me he does not have the support of his colleagues. He is not speaking the caucus view, the Liberal official, the Liberal Opposition caucus view. He is stating his own personal view. If he be stating his own personal view, I call upon him to and I challenge him

to name names, to give the information he is talking about, indicate where we have made loans by the twisting-arm attitude that he referred to last night, that we are giving people loans which are going to hurt them financially. "Putting people in debt," he says. "In a position where they will never be able to get out. Never recover financially, these small business operations in rural Newfoundland."

He re-emphasized the patronage and the payoffs. If he is going to continue to make these charges, and if he is going to do them without the support of his own colleagues, I think he has the obligation to this committee to give us names, to substantiate the charges. If not, let him shut up and stop making these silly nonsensical, unsubstantiated charges in the future.

HON. MEMBERS: Hear! Hear!

MR. MORGAN: He even went so far to say that the only reason why the programme was working was because of the leadership and because of the civil servants who are working in that department. Nobody can deny, I am sure I cannot, because I have worked with them, and many loans have been processed in my district, that these civil servants who are working with that department are doing an excellent job.

But I am sure nobody can deny either that the Minister of Rural Development, if there be any minister in this government who has worked hard in the past twelve months - sitting where I am, seeing the minister and watch him work, to carry out the duties - if there be any minister in this government who is working hard for his department, for this government, it is the Honourable Minister of Rural Development.

"No leadership", he says. The opposition, the individual opposition spokesman, not the official opposition view, the individual opposition spokesman. keeps on saying; "There is no leadership. The department has no leadership. It is only the policies that are being carried out by the civil servants. That is what is making parts of the programme working because of the attitude of the various civil servants in that department."

So we finally see, Mr. Chairman, that all these charges that were made in the past are really the charges of one individual in this Assembly

not the official view of the opposition. This I am sure substantiates what we have been saying on the government side; the programme is a good programme. It is working for the benefit of rural Newfoundland and rural Newfoundlanders. I would like to see some minor adjustments in the Rural Development Authority in regards to the loans they are making. I think the programme is working really good. It is about the first time that people who have sawmills and small business operations, for the first time they have now somewhere to turn to where they can get a loan of \$2,000, \$3,000, \$5,000 or \$10,000, a maximum of \$10,000.

But in many cases, some feasible operations, to \$10,000 ceiling is not enough. I would like to see the \$10,000 ceiling raised to \$20,000 or \$25,000. This would help some of the already existing operations expand to where they can practically triple their employment

\$10,000 is not enough in my view. It is enough to purchase a tractor or some equipment which is going to aid the saw mill operators but there are some feasible applications I am sure from business people in rural Newfoundland in connection with the primary resources that could use more than \$10,000. The only source of funds they have to help them right now is the Rural Development Authority. So I would like to see the loans raised from the present \$10,000 ceiling to \$20,000 or \$25,000.

Mr. Chairman, I will not take up the debate on this heading any longer. I am just going to say this Rural Development Department is a new department of this government. It is not some old policy which was passed on from the previous administration. It is a brand new policy. It is a brand new department, culminated by this government and is working well for rural Newfoundland and any further charges made by irresponsible politicians, individualists in this House of Assembly, any further charges should be substantiated. Thank you, Mr. Chairman.

MR. WM. ROWE: I would like to say a word or two on the vote which we are now discussing, the minister's salary, and I think perhaps most of my remarks will centre around the Rural Development Authority because I believe traditionally we have more or less discussed the many matters in the department under the minister's salary and then restrict the other votes to briefer statements and questions and answers.

Sir, I was interested to hear the gentleman who just sat down refer to statements by irresponsible politicians concerning this head of expenditure or any other head of expenditure. This gentleman who rose in this House sometime ago and lambasted the Newfoundland and Labrador Development Authority I believe, giving no substantiation at all except for the fact that he went down with some harebrained scheme, Mr. Chairman, and had it turned down and stands in this House and uses his position as -

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

MR. WM. ROWE: What is the point of order, Mr. Chairman?

MR. MORGAN: The point of order, Mr. Chairman, is that the honourable member for White Bay South is giving incorrect information. I have not spoken in any debate with regards to the Newfoundland and Labrador Development Corporation, never in this House or outside the House.

MR. WM. ROWE: Mr. Chairman, I will not even grace that point of order with a reply, it being obviously if anything a difference of opinion or fact between two honourable members. If Your Honour wish to rule on it?

MR. CHAIRMAN (MR. STAGG): In the opinion of the Chair it is indeed a difference of opinion between two members.

MR. WM. ROWE: If the honourable member would sit down and give everyone else the courtesy that he was accorded perhaps he might learn something. It is a little sickening, Sir, to hear statements from that particular honourable member concerning irresponsible statements by politicians, it is just a bit sickening. If there be anyone in this House, Sir, who is given to irresponsible statements it is that honourable member, the member for Bonavista South, the great crusader of the civil rights in this province, the man who stands behind the citizens in their fight for equality and fair play but who does not hesitate to lash out against unions or against the Newfoundland and Labrador Development Corporation or any other body, with no substantiation of his arguments whatsoever. Sir, I realize I am running the danger of becoming irrelevant. But, Sir, the Rural Development Authority is a controversial institution. There are strong feelings on both sides as to its use, validity, its operations, the fact that there may or may not be political partisanship involved in the operations of the Rural Development Authority.

I would like to go on the record as stating my position having looked at it for some months and talked to people about it and gotten information from the minister and the department and from

other sources and I am prepared to admit at the outset that the Rural Development Authority when started was started with the best of intentions. I am prepared to admit that, Mr. Chairman, I do not think that the honourable minister, whether he be competent or incompetent to run this particular department, I do not think the honourable minister started out at the beginning to have a give-away programme, to give away money to friends of the government for political purposes. I do not think he started out with that intention. Whether that has in fact happened in the process of the operations and the development of the Rural Development Authority will be seen in the course of this debate. The honourable member for Hermitage has given some overwhelmingly strong evidence that there is partisanship involved in the operations of the authority, that the government, the minister and the ministers on the authority are using this as a political payoff; to use the words of the member for Hermitage.

Now, Sir, I believe that the operations of the Rural Development Authority has gotten completely out of hand. No matter what the good or bad intentions were when the Rural Development Authority was first established, I believe that it has gotten out of hand. I will give some evidence, Sir, this morning, to support what I am saying: When the Rural Development Authority was first announced, first set up and announced, the setting up of it was announced, I asked the question of the Minister of Industrial Development - I do not know what portfolio he held then, I believe it was Economic Development or perhaps it was Industrial Development - I asked him a question in this House. Mr. Chairman, I asked him what the criteria were for the operations of the Rural Development Authority. I asked him whether the money would be given out for what might be called secondary or tertiary industry in the province, for garages for example, for other types of service industries, and I was nearly laughed out of the House by the honourable minister, Mr. Chairman. "This particular programme, the Rural Development Authority was going to be resource oriented," says the honourable Minister of Industrial



Development. What is this?

AN HON. MEMBER: Inaudible.

MR. WM. ROWE: We tried to, Mr. Speaker. "How could an honourable member of this House be so stupid as to think that money in rural Newfoundland was just going to be flung out for every kind of foolish little industry that might be proposed to the Rural Development Authority. It was going to be based on the resources of rural Newfoundland." I did not pursue it any farther because I thought that that was a good idea. I thought that it was a good idea to have money available to people who were going to set up industries in rural Newfoundland for saw milling, for operations in connection with the fishery, for example, for other operations, perhaps the tourist industry, for that matter, small industries based on the resources of rural Newfoundland and the idea that money might be available to people to set up every kind of little industry that they want, mortuaries for example, funeral homes for example.

If I had suggested at that time, Mr. Chairman, that this programme was going to be used for mortuaries -

AN HON. MEMBER: That is a resource

MR. WM. ROWE: A great resource, yes. What kind of a resource?

MR. EVANS: Inaudible.

MR. WM. ROWE: They do not grow very much though, something like the honourable member for Burgeo. It does not grow very much, in stature or otherwise. But, Mr. Chairman, if I had stood up in this House a year or two ago whenever this was first announced and said, "I will guarantee..."

AN HON. MEMBER: Inaudible.

MR. WM. ROWE: The honourable minister will get his opportunity to speak. If I had said, Mr. Chairman, two years ago in this House that I bet you \$10,000 grants or loans would be made for service stations, for mortuaries or that type of operation, I would have been laughed out of this House by the honourable ministers. I did

not have the gall to even suggest that, Mr. Chairman. I suggested that perhaps at the time I suggested that it might be politically motivated. That has been borne out as we shall see as we have seen. But I would not have had the gall to suggest that it would have been used in the fashion that it has been used because I thought that even that would have been outside the scope of the operations of even this particular administration.

Anyway, Mr. Chairman, all you have to do now is look at the lists. I have a list here. What is it? January 15. It is not the most recent, undoubtedly there are more recent lists but it is one I have in my file. What do we see? A \$7,000 grant to a gentleman and his industry is excavating. \$10,000, a grant for a baker or a loan for a bakery, auto-body shop, pulpwood transport, perhaps that is a valid use of the money, sewing centre, mechanical servicing, machine servicing, mechanical servicing again, carpenter shop, car-body repairs, construction, appliance repair shop, television repair and servicing, purchase of a longliner, that may be a valid use, although we have other programmes in the government (do we not?) for helping fishermen with the purchase of boats.

I think it was the purchase of boats. The Fisheries Loan Board has always been available for that but the Rural Development Authority suddenly pokes in in one particular instance and gives a man a loan to buy a long-liner even though there is another authority available in the government for that particular purpose. Food processing is another one.

Electrical shop, a great resource development industry, Mr. Chairman. Electronics servicing, whatever that is. Metal products manufacturing. Mechanical insulation. Florist shop, Mr. Chairman, in that great rural Town of Windsor. Florist - flower shop in rural Newfoundland, Windsor. Well, I mean if Windsor is rural Newfoundland - I suppose compared to Toronto and St. John's it is rural but in Newfoundland's context Windsor is not a rural center and certainly a flower shop is hardly the development of our resources as ordinarily understood.

Trucking, Mr. Chairman. Truck-body manufacturing - there is one for you - in St. John's, on the Topsail Road in St. John's, truck-body manufacturing.

AN HONOURABLE MEMBER: That is not in St. John's.

MR. W. ROWE: Well, I mean I can only go by what it says. I will not give the name because I do not think that is -

AN HONOURABLE MEMBER: Inaudible.

MR. W. ROWE: Topsail Road, City Truck Body Manufacturing - there is nothing wrong with it, Mr. Chairman. All I am saying is that this government has misled the people of Newfoundland. It was supposed to be for rural Newfoundland and it was supposed to be for the development of resource industries. Truck body manufacturing in St. John's is neither resource development nor rural Newfoundland.

Now, if the minister is trying to convince members of the House that it is resource development and that it is rural Newfoundland, then we understand why this Rural Development Authority is completely off the rails. Now, we have an inkling as to why the thing is a complete shambles if that is what the honourable minister is trying to convince this House and the people of Newfoundland of, Mr. Chairman.

AN HONOURABLE MEMBER: That is the honourable member's opinion.

MR. W. ROWE: Well, I think most reasonable people would say that St. John's is not rural Newfoundland -

AN HONOURABLE MEMBER: They are not in St. John's.

MR. W. ROWE: Well, why does it say city? I mean, I can only go by the list given by the honourable minister.

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

All honourable gentlemen have an opportunity to participate in the debate. The member for White Bay South while his remarks may not be agreed to by honourable members to my left, nevertheless has his right to make them as long as he remains relevant within the bounds of parliamentary practice.

So, I suggest that the honourable member be heard in silence.

MR. W. ROWE: Thank you, Mr. Chairman.

Most reasonable people I believe, Sir, would agree that truck-body manufacturing although a laudable industry - perhaps there should be public support for such an industry, I do not know as that is something that can be argued back and forth - is not resource development as we were told in public statements and in this House. If I can believe the list put out by the minister's own department in which it gives the name of the company, it says, "Topsail Road, City" or is it Topsail Road, Corner Brook, I do not know. Topsail Road City to me means Topsail Road, St. John's or near St. John's. It is not rural Newfoundland.

There is a newspaper. A newspaper was given a grant. That may be a laudable enterprise too. A newspaper was given a loan or a grant. I believe it was a loan. "Loans, Grants" they say up on this list made to January 5, 1974. I presume that is a loan. It is a laudable enterprise. The only thing I am saying, Sir, is that when this body was first set up there was no inkling given to the people of Newfoundland as a whole, there was no inkling given to them that money was going to become available for this kind of enterprise.

If there had been, there might have been another hundred people

in Newfoundland who might have applied for a loan or a grant for a newspaper or a flower shop or a mortuary. When people wrote me letters from my district or especially when they called me looking for advice, whenever they wrote a letter, I usually referred it on down to the Rural Development Authority. When they called me looking for advice and said, "What is this new Rural Development Authority that is set up?" I stupidly, not having gained anything from my experiences with this government, would say to the people from my district who would call up, "My understanding is that this is for resource development. Sawmill operations may be okay. Perhaps something associated with the fishery may be okay, something associated with Tourism which is a type of resource development in Newfoundland may be okay."

If somebody had suggested to me that they wanted a loan - I remember talking to one gentleman, a few days after the Rural Development Authority was set up, in La Scie, a gentleman by the way who has been a consistent supporter, one of the few, of this administration but he is a friend of mine as well, came to me and said, "I want to take on two or three mechanics in my garage I have in La Scie. I wonder can I get a loan of money." I said, "Well, I will make certain inquiries for you through manpower for example and through the Newfoundland and Labrador Development Corporation."

He said, "What about this new one, the Rural Development Authority?" I said, "My understanding is that this is for resource development." I misled that gentleman, Mr. Chairman, relying on this government. I misled him. Now, subsequently, I believe, if memory serves me correctly - I have not looked at my files lately - I believe even at the time I sent letters to the Rural Development Authority concerning this particular gentleman, I misled that gentleman, Mr. Chairman, at the outset because I relied on the announcement, the public statements of this government.

AN HONOURABLE MEMBER: Inaudible.

MR. W. ROWE: Yes, I misled the public! I straightened out, Mr. Chairman, as I mentioned earlier in this debate -

AN HONOURABLE MEMBER: Inaudible.

MR. W. ROWE: Well, I hope they are getting letters. That is the whole idea. I mean, what does the honourable Minister of Transportation expect to get after his government makes a statement that there are no more special areas, number one and that there is \$100 million available?

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

Honourable members for one reason or another have diverted themselves into a matter which is not relevant.

MR. W. ROWE: Thank you, Mr. Chairman.

I am trying to develop my remarks here as Your Honour knows but the honourable Minister of Transportation and Industrial Development tried to divert me by throwing out a red herring.

Sir, misleading: Now, why would the government mislead the public or try to mislead the public of this province? Why would they do that, Sir? Would they do it so that there would not be a general flood of requests from all over Newfoundland for loans for bakeries, newspapers, flower shops, mortuaries, machine shops, garages, restaurants for all I know may be in here as well but that the word could be passed to their friends to make applications for this type of an operation? If they did so, that the money would become available to them while precluding other people in Newfoundland?

That is certainly one deduction, Mr. Chairman, that can be made by anyone who has looked at the evidence to date. This is where I believe the member for Hermitage is right on when he said that there is political patronage involved in this and political pay-offs. I believe he is right on. I believe that he is on to something and he has given evidence of a general nature concerning the districts.

Metal products manufacturing in Mount Pearl. Metal products manufacturing in rural Newfoundland, Mount Pearl. Even the Premier, Mr. Chairman -

AN HONOURABLE MEMBER: Metal products.

MR. W. ROWE: Metal products? Well, in that case then we would have no objection whatsoever to political patronage, Mr. Chairman. We would agree with the way the money is being lashed out to the friends of this administration. Metal products manufacturing in rural Newfoundland, that

village, isolated village of Mount Pearl.

Clothing manufacture; construction; cannery and cooperage, I believe that is good. That is a resource development. Shoe repair shop, a resource development? Tuna boat operation, Topsail, rural Newfoundland. Does not the honourable minister even know this? Things are not being done behind his back? I can not believe it, Mr. Chairman.

Electrical contractor; Refrigerator sales and services, Mr. Chairman. That is in Lewisporte. That is more rural certainly than Mount Pearl or Windsor. Mr. Chairman, refrigerator sales and services is a great resource development, a great industry, small industry, resource development industries that this government was going to bring into the province.

Mechanical servicing; electrical servicing; shoe manufacturing; beauty salon - now, certainly that is a resource development but not as usually understood by economists. The dismal science of economics would not consider a beauty salon as a development of a resource, Mr. Chairman. It would not but still money was thrown out, a loan was made to assist in the establishment of a beauty salon.

Electrical contracting again; artificial wreaths manufacturing.

I do not know why the member for Harbour Grace allowed all of this to go on or of course that would not be too much of a conflict with his own industries, Artificial Wreaths Manufacturing, Mr. Chairman, you know, a great resource development, no doubt about it; prefabrication of pipe.

Mortuary in Carbonear, now the member for Harbour Grace has shown what a statesman he is by allowing all kinds of competition to spring up on either side of him by the use of government funds for a mortuary in Carbonear.

Now, Mr. Chairman, the honourable members on the other side can joke and be as jocular as they want but what we are talking about is the use of public funds for a purpose.

AN HONOURABLE MEMBER: Inaudible.

MR. W. ROWE: Well, I mean are all services going to be provided? shall I tell my constituents in White Bay South that no matter what they want to set up they are going to get money for it?

AN HONOURABLE MEMBER: Inaudible.

MR. ROWE: Wreaths Manufacturing, that is a needed service, is it?

AN HONOURABLE MEMBER: What is wrong with that?

MR. ROWE: In Carbonear? Well, is a wreath manufacturing company needed in say Plum Point? I mean can I now tell my colleague and close relation who is not in the House today, he is in his own district, when he comes back can I tell him that he should ask a person, somebody in Plum Point to send in an application to manufacture artificial wreaths and get \$10,000.

AN HONOURABLE MEMBER: Inaudible.

MR. ROWE: Oh! I see. So I can tell them in La Scie, Baie Verte, Westport, Fleur de Lys, Coachman's Cove -

AN HONOURABLE MEMBER: As long as they are not competing with some local firm, and the honourable member knows, that.

MR. ROWE: Well a very few people in Westport are making artificial wreaths today.

AN HONOURABLE MEMBER: There are not being very many sold down there.

MR. ROWE: Well I am sure there could be a demand created, as much



as a demand, Mr. Chairman, as in Carbonear or whatever the place was that I mentioned.

AN HONOURABLE MEMBER: Inaudible.

MR. W. ROWE: Mortuary, I am sure a mortuary could be very useful. I am sure somebody could use \$10,000 to set up a mortuary.

Mr. Chairman, the whole thing is ridiculous, to even listen to the minister try to rationalize what has been done with public money. In this regard it is the height of nonsense.

Mobile Welding Operation, a great resource development; Sheet Metal Manufacturing; Harbour Grace, a mortuary, another mortuary. Are there more people dying in that area or something, Mr. Chairman, that the demand is so great?

AN HONOURABLE MEMBER: The honourable member is not reading it right -

MR. ROWE: Well, I mean, I can only read what the minister sent to me, Mr. Chairman and what does he send to me? He sends to me, Harbour Grace, names of persons, mortuary. Now I mean if that be something else, if that be a horse shoeing factory, then maybe the minister should tell us, tell the committee. Why would he give me wrong information in a list which he sent to me at my request?

AN HONOURABLE MEMBER: - The honourable member would not understand it.

MR. ROWE: Listen to him, Mr. Chairman. Listen to him. Listen to the honourable minister. Even the fact that he is not ashamed of what has been going on in the Rural Development Authorities is evidence of something, Mr. Chairman, trying to defend it at this late date.

I will give it to him. Plumbing and Heating, metal products. Ah! Ha! Rustic fencing, Mr. Chairman, rustic fencing. What is metal products manufacturing, by the way? What is that?

AN HONOURABLE MEMBER: Aluminum siding.

MR. ROWE: Aluminum siding. Is the minister on the Rural Development Authority? The Minister of Industrial Development, Mr. Chairman, is not on the Rural Development Authority.

AN HONOURABLE MEMBER: Inaudible.

MR. W. ROWE: Oh! I see. Now he remembers that he is on the Rural Development Authority but the honourable minister who is on the Rural Development Authority cannot tell us what metal manufacturing is. He thinks it is aluminum siding. Very interesting.

Plumbing and heating, I suppose, Mr. Chairman, another plumbing and heating, bakery, commercial cleaning, another great resource development. Now I am sure, Sir, that there are people who would be interested in getting into commercial cleaning. I have only noticed one up to, as of January 15, 1974, only one commercial cleaning operation, but I am sure that all over this Province there are people who are interested in getting into commercial cleaning, in the larger centres, certainly.

Now what the minister should do is to make sure that the scope of the authority is well known to everybody throughout this Province. He should make sure of that. He should make sure that anybody who wants a loan to set up a commercial cleaning operation gets a loan for it. This gentleman near the city of St. John's got it. Mr. Chairman, he is the only one as far as I can see. I am sure that not very many people are aware in this Province that they can get money for commercial cleaning or for mortuaries and this sort of thing.

The minister should make sure that people are aware of that. Mechanical servicing, Concrete Product Manufacturing in Grenfell Heights, I would assume Grand Falls, another rural part of this Province. Painting and contracting, another bakery, electronic servicing and flower nursery, another resource. Maybe that is good Mr. Chairman, but it is not what is usually understood by resource development. That is the whole problem. That is where the government has misled the people of this Province by not telling them that this was a free-for-all, by not explaining properly to the people that any kind of an idea that the ingenuity of man could dream up qualified for a loan from the Rural Development Authority.

The people were given the wrong impression. They thought that there were constraints on the lending out of these hundreds of thousands of dollars of public funds. They thought that the constraints were resource development or at least something closely related to resource development.

Mechanical servicing again: I picked out some of the things, Sir, which go to show that this programme is completely off the tracks, completely off the rails. It has been called a political payoff. Now I do not know if it is a political payoff or not. I suspect it very strongly. I suspect that it is a political payoff because how can you explain some of the inconsistencies which I am now going to mention to this honourable committee.

I read out certain things which were allowed and given funds for by the Rural Development Authority. Now I have come across by chance a list of applications approved and rejected in one particular district in this Province. What do we find? Approved but not yet executed, but the approval of the giving of money has been given to a certain gentleman, \$10,000 to purchase a used timber jack. That is the reason the money was given to this gentleman.

Again another gentleman here, to purchase one used timber jack, this is another gentleman. That is two separate gentleman who have received money to purchase timber jacks in association with their logging enterprises that they are either setting up or expanding.

Now, Mr. Chairman, that was approved, you see, "approved application." Now I come to another one which is applications rejected or deferred this particular gentleman, amount requested, \$10,000: purpose - purchase of a timber jack; rejected or deferred? Rejected. Reason for rejection - outside the scope for financing. Outside the scope of the operations of the Rural Development Authority.

Another gentleman made an application for money, \$36,000: \$36,000 he requested. Industry - a funeral home: purpose - to establish the business; What happened? - rejected. Why? Outside

the scope of the Rural Development Authority? Now, Mr. Chairman, the whole thing is mind boggly. We have seen examples of - we have read out examples where people have received loans of money to set up mortuaries and funeral homes. Yet we see here information supplied by the minister's own department where applications were made for timberjacks, to purchase timberjacks by way of a loan from the Rural Development Authority. It was rejected because it was outside the scope of the Rural Development Authority. There was an application made to establish a funeral home. It was rejected, outside the scope of the Rural Development Authority.

Another example, Sir, there was \$7,000 requested, the industry, subcontracting; purpose, to purchase a backdigger; a small construction company obviously. We have seen examples where construction companies have been approved by the Rural Development Authority. What happened? Rejected. Reason? The project is neither job creative, not going to create any jobs nor (I suppose there is going to be a horse or something running the backdigger, I do not know) is it resource oriented. That is the reason for the rejection, Mr. Chairman.

A gentleman from Rural Newfoundland applied for a loan of money to buy a piece of equipment in conjunction with an already existing construction company or to set one up. I am not sure of all the facts of the case. He was rejected. The rejection was based on the fact that it is not job creative, although other construction companies received loans of money. It is rejected and the additional reason given is that it is not resource oriented.

In other words, Mr. Chairman, this Development Authority uses the criteria which were passed out to the public of Newfoundland; namely, resource development. It has to be involved with resource development. There has to be an orientation around resource development. It uses those criteria or that criterion when it sees fit but yet when

it does not see fit, Sir, it throws the regulations or its guidelines out the window and makes a grant or a loan to somebody, I do not know if it is for political partisan purposes or not. All I know is that when your dealing with politicians in power that an opposition and the people of Newfoundland must be on their guard constantly lest public money is being used for political purposes of a partisan nature. It is either that, Sir, or the Rural Development Authority operates whimsically or capriciously or has no rules or regulates or guidelines. It might like the colour of a man's eyes and therefore, he gets the \$10,000 loan to buy a piece of construction equipment. It might not like the colour of a man's hair in another case in which case he does not get the loan because it is either outside the scope of the authority or it is not job creative or because it is not resource oriented.

Another gentleman in Rural Newfoundland: His industry, sawmilling; (resource oriented) purpose, to pay off a loan on a timberjack. I would assume that the man's back was breaking under the financial load he was carrying in connection with his sawmill operation. What happened to it? It was rejected. It was outside the scope of the authority, repaying previous loans outside the scope of the authority. That smacks, Mr. Chairman, of a rule or a guideline dreamed up on the spur of the moment to make this rejection.

Another gentleman in Labrador City: He wanted \$35,000 by way of a loan to build a building supplies and carpenter shop, which was the nature of the industry. This was referred to the Newfoundland and Labrador Development Corporation. There are other examples of that.

A \$10,000 loan, Sir, in connection with a logging operation, to purchase a tractor: Now we have seen examples of where money has been given to people or loans have been made to people to buy equipment - \$10,000, which seems to be within the scope of the upper limits of the Development Authority, in connection with his logging operation to purchase a tractor. That has not been approved by the Rural Development. It has been referred to the Newfoundland and Labrador

Development Corporation. Now why? What are the reasons for it? We have seen hundreds of thousands of dollars lashed out to sawmilling operations for every purpose under the sun.

I see a \$20,000 amount given out for a shipyard operation; \$10,000 for sawmilling; \$10,000 for boat building; \$10,000, pulp wood harvesting. If the minister is trying to convince us that in pulp wood harvesting the gentleman is not going to spend any of his loan on equipment, like timberjacks or anything else, Mr. Chairman, he is sadly deluded.

Mr. Chairman, in some cases the loans are approved; in some cases they are rejected for the very reason that earlier loans or later loans were approved and in some cases the applications are referred to the Newfoundland and Labrador Development Corporation, which smacks of merely passing the buck.

There was another application made in 1973 for \$25,000, sawmilling, to set up a new sawmill. That was referred to the Newfoundland and Labrador Development Corporation. Maybe the amount was too large, that may be it. That may be the problem. We have seen cases where \$20,000 loans have been made; \$15,000 loans have been made; \$10,000 appears on the surface to be the upper limit but one sees exceptions made, Mr. Chairman. One gentleman here for a sawmilling operation industry, \$20,000 was the loan made to him. There was no upper limit of \$10,000 imposed on that gentleman. The \$10,000 appears very frequently.

When the minister or the Rural Development Authority sees fit, Mr. Chairman, it does not hesitate to exceed that limit. Mr. Chairman, just what is going on in the Rural Development Authority? The minister gets very incensed when anybody raises any objections to the way it is operating. He gets very angry.

Mr. Chairman, the evidence that has been provided by the Member for Hermitage and the evidence which I have produced to the committee today all indicate that either the Rural Development Authority

is involved in political partisanship or it operates without any guidelines, whimsically and capriciously, giving loans to some people for the very reason that they reject loans on applications from other people, Mr. Chairman. The minister is going to have some job trying to show that there is nothing wrong with the operations of that authority. It has been called a political payoff. The weight of evidence appears to favour that conclusion.

Mr. Chairman, what does the authority consist of to begin with? The authority consists of several ministers. The Rural Development Authority or the board itself consists of several ministers of the crown, politically partisan figures, par excellence. I mean the fact that a minister is involved by definition there seems to be a certain amount of political partisanship. Is the minister going to say now that he does not belong to a particular party, partisan, political figure?

Now it is possible, Sir, for ministers (I will be the first one to admit it) not to exercise their partisanship when they are involved in such an authority. It is possible and maybe it is even probable. There is certainly a suspicion that perhaps the ministers are using the authority for political purposes.

MR. MARSHALL: (Inaudible):

MR. W. N. ROWE: The Hon. House Leader should not try to divert me, Mr. Chairman. I might get on to some of his peccadilloes, embarrassing little peccadilloes, irrelevant though they may be.

Who else is on it? Mr. Chris Pratt, a great painter, a great painter! A son of Newfoundland, we should all be proud of. You will get some people who will say that his wife is a better painter.

She is a good painter, I do not know if she is better or not. That is a question of taste and judgement, but he is a good painter. Some say his style of painting it is perhaps as reactionary as his politics, late Twelfth Century. Some people say that it is late Twenty-Fifth Century - He is a good painter, Mr. Chairman. But the whole fact that there is controversy about his style of painting means that he is probably a great painter. He stimulates the imagination of intelligent people. He is a great painter.

But, Mr. Chairman, you know, somebody who is good at climbing Mount Everest may not be good at running the Government of England. Charles Lindbergh was great at flying across the Atlantic when he got back there was a hue and cry. "Make him president" said a lot of people. You note a certain amount of illogical thought process there, I think, because a man is good at something does not make him good at something else.

Whether Mr. Pratt is a good or a bad painter, I happen to think a great painter at least in Canadian terms, I doubt, Sir, whether he is particularly excellent at making business decisions. I do not think that he would be accused of being a great businessman. As a matter of fact, if one said to Chris Pratt that he was a great businessman, he would probably consider it an insult. He does not like that sort of thing. He does not like bourgeois insults flung at him. He is a good painter but I would suggest, Sir, not particularly suited for this particular job. That is a humble suggestion I fling out for the consideration of honourable members - not particularly suited.

Now Bert Meade, I do not know. Is Bert Meade still on the Authority? He is on again? He took a leave of absence. He is on the Authority, is he? He was on it before. Bert Meade - now what is Bert Meade? Well, Sir, if you can judge by his own statements, after his trashing down in Hermitage you could only draw the conclusion that he is a bitter, frustrated, defeated politician. He came out on radio and issued statements such as I had never heard from any defeated politician before in my life. They were



venomous, bitter and showed frustration, manifested frustration of that gentleman in an extreme fashion.

Now is he the man to have on a Rural Development Authority which is suppose to be nonpartisan? Mr. Chairman, I ask that question in all humility. Mr. Bert Meade - Does Bert Meade know anything about this type of an operation to start off with? Now I do not say that they should load up this authority with expertise, specialized, narrow expertise, They can have a staff to do that. But, Sir, if you are going to have people making considered judgements as to who should not get or who should get public money for some particular purpose, then I would again humbly suggest that you not have on the board a man who has shown himself partisan in the extreme, partisan in a way that I would venture to say no member of this House is. Bitter, venomous, partisanship. Makes no bones about it, Mr. Chairman. Has the gall, having been defeated in an election and having uttered his vengeful spleen out over the media, to come back and get on this authority again and pretend that he is capable mentally or psychologically or any other way of making a fair decision when people are applying. I would like to see some of the workers who worked for this party from that same area of residence as Mr. Bert Meade, I would like to see them make an application, someone who has shown his colours.

I would like to see what Bert Meade has to say in that committee, He may be overruled by the other members, he may be overruled by the ministers, but I would like to see what he has to say about it. I have no doubt in my mind what he would say about it. He would condemn the application out of hand on purely partisan grounds. Now those are strong words to say about a man, but I believe them. If we are trying to protect the public money of this province from being spent foolishly, capriciously, politically - politically I use it in the narrow sense as partisan politics, if we are trying to prevent that as an opposition I have no choice, Mr. Chairman, but to say that Bert Meade should not be on the Rural Development Authority. He should not be on it!

The ministers, as partisan as they are, were elected by the people

of Newfoundland, and people have shown their trust in the ministers, as candidates running in a district. The Premier, the Leader of the party has shown his trust, Premier elected by the people as well, has shown his trust by appointing these members to the cabinet. These men are gentlemen. The honourable minister of the department is a perfect gentleman and I am sure fair-minded. I am sure he does not go out of his way to hurt any living thing, any human being. I am sure he does not. He does not go out of his way to hurt any human being.

But, Sir, I would not say the same thing about this other honourable gentleman, I was talking about, Mr. Meade. I would not say it at all. He does not have the sanction of the people. He tried that and failed. He showed his partisanship, bitter, venomous partisanship and he finds himself back on this authority. Now I do not trust that type of an authority, Mr. Chairman, to do the right thing. I do not trust it.

Lloyd Archibald is the only man with any business experience at all on it, I would suggest. I will not say too much about him. He had the good taste to choose a law firm of which I am an inactive member but to give him legal advice. So that in itself shows that the man has sense. So I will not say too much about that, Mr. Chairman. There is a slight conflict-of-interest there. If he were not a client I would probably have a little more to say but there is a conflict-of-interest, I admit to the committee.

But for these other two gentlemen, Bert Meade and Chris Pratt. Chris Pratt a great painter, not particularly a great businessman, I would not say or a man capable of making good business decisions, Bert Meade I dismiss out of hand.

But, Sir, I suggest these things do indicate to the committee that there is no wonder that most people, many people believe, most people I would suggest believe that there is politics involved right up to the hilt in this Rural Development Authority. I suggest that the Member for Hermitage is right when he says there is political patronage. If there be no political patronage, Sir, based on the evidence I have given to this committee, then the best one can say about the Rural Development

Authority is that there are no guidelines, nobody knows where they stand. There is no scope of the authority. It is done whimsically, capriciously depending on the condition of the stomach or the head of the particular members who happen to be sitting on a certain morning, as to whether a man gets his application filled or not by the Rural Development Authority.

Among the first applicants filed, if one can judge from the list, there were three defeated Tory candidates in the last election. Well that in itself is not necessarily wrong. It is surprising maybe that they are the first in the line, first to get their applications looked after and to get money for certain projects. I would not say that any candidate should be penalized because he happened to be a candidate and was defeated. I would not say that at all. I would like to see how many defeated Liberal candidates there are with money from the Rural Development Authority.

AN HON. MEMBER: Inaudible.

MR. ROWE, W.N. I do not know. Perhaps discretion in this case is a better part of valour, I do not know. I will certainly look around.

AN HON. MEMBER: Development Corporation.

MR. ROWE, W.N. Yes, because the Development Corporation, you see, is not a political body.

AN HON. MEMBER: , Inaudible.

MR. ROWE, W. N. Well that shows the good sense of the Development Corporation. This is the same Development Corporation that the Member for Bonavista North, Bonavista South rather, came out and condemned, you know, as being useless because perhaps he had some harebrained scheme that was turned down or was not approved on the

approved on the spot like that.

MR. CROSBIE: I have never heard him condemn it.

MR. W. ROWE: Well, I have heard him condemn it.

AN HONOURABLE MEMBER: Yes, he tried to give direction to it and they would not take it.

MR. W. ROWE: I heard him condemn it, Mr. Chairman. He said, "The Rural Development Authority was great" and contrasted with it the Newfoundland and Labrador Development Corporation which was - I do not know what words he used exactly but the impression left was that it was useless. "Useless," Mr. Chairman, was the impression given by the member for Bonavista South.

I would say J.J. Hussey had the good sense perhaps to not even apply to this Rural Development Authority. He knew that whatever chance he had of helping his business - I do not know anything about what he has done but he knew that whatever chance he had was with the Newfoundland and Labrador Development Corporation.

Anyway, Sir, I would say that the Rural Development Authority is not run too well judging from the evidence I have given. I believe it is ineptly run or to give it the worse coloring, it is run in a partisan fashion. We have seen examples where loans have been given - I believe one of my colleagues, a member of this House, may mention the fact where loans have been given when no permits for the cutting of timber had even been received from the Department of Forestry and were in fact actually rejected. Perhaps the minister can give us some elucidation on that particular situation.

We had an example where one man was given a loan and he turned up in Toronto somewhere. I would like to know if that loan has been paid back.

MR. REID: We could not help that. Al Vardy went to the States and we did not get him back.

MR. W. ROWE: Well, if you want to talk law, then I will say that there is a better chance of getting a man back from Toronto with the reciprocity agreements we have throughout the provinces than getting a man back from the United States. So, if the minister would like to

pursue it, then the honourable Minister of Justice, I am sure -

MR. REID: We are working on it.

MR. W. ROWE: But was there not any security for the loan?

MR. REID: Inaudible.

MR. W. ROWE: But not enough to recover the whole amount.

AN HONOURABLE MEMBER: They could not get his suitcase back, could they?

MR. W. ROWE: The minister should not take this so personally. I mean, if he do not want to be a minister of the crown, then he should resign. If he is going to be a minister of the crown, let him expect members of this House to raise questions about the operation of his department.

One of the questions I raise it may be the only example but even if it is the only example it should be raised and I raise the question of a man who gets a loan from the Rural Development Authority, turns up in Toronto, presumably with the money in his pocket, and the minister now trying to get - was the loan ever given?

MR. REID: He does not get the money in his pocket like that.

MR. W. ROWE: Well, then there is no problem. The Rural Development Authority recovers its money in full?

MR. REID: He must purchase his property. We do give him some money towards his capital that is all.

MR. W. ROWE: So, the most he could have run off with is working capital. Well, that is good. I am glad to hear that explanation because we made mention of this I believe in the House earlier. I did not hear. I might have been absent; I did not hear the minister explain the situation.

AN HONOURABLE MEMBER: Inaudible.

MR. W. ROWE: Well, I am not asking a question now really. I mean, I am making a statement that I have heard this. I am glad that the minister is finally deigning to give the information to the committee. I am glad to hear that perhaps the Rural Development Authority will recover the greater amount of this money because they have the security of equipment. I am glad to hear that the man who ran off to the Mainland went off with a small amount consisting of the working capital rather

than all the money. I am glad to have this information because it is public money we are talking about.

I would like, Sir, for the minister when he gets up to speak to tell us what is the status of some of these loans. Now, I believe there was a moratorium on the repayment of these loans for a year or so, or was the repayment supposed to start immediately? If a man got \$10,000, was he supposed to start repaying the next month? The minister might give us that information. I seem to remember something about a postponement of repayment for a year or so and let the business get established and then they start paying back. The minister could give us that information.

What I would like to hear from the minister is how many loans have been paid off or a start made on the repayment. What is the status of the repayment of these many loans that have been given out? He might also give us some information as to how many actual defaults have already been made. That is, a man goes into business, purchases a piece of equipment, runs it for a year or so and then gets out of the business and stops and there is no reasonable possibility of recovery of the loan except for probably the repossession of the equipment and that sort of thing. He might give us some information on that.

He might also give us some information as to how many operations started say a year ago or more, with Rural Development Authority money, how many are still in operation today. I would be interested in getting that information. How many are in operation today? How many have closed down because of lack of money or for other reasons? How many are still employing? How many of these operations if they are not actually closed down, are still employing the extra men that they were presumably required to employ when they got the money from the Rural Development Authority?

MR. REID: The honourable gentleman is not looking for that today?

MR. W. ROWE: No, no. The minister can give us that at some point, because it is important information.

The government makes a statement that 20,000 men have been employed or have found jobs from the Rural Development Authority. How

many?

AN HONOURABLE MEMBER: 20,000?

MR. W. ROWE: No, I am just flinging out a figure. How many does the Premier say this government has employed? 32,000 men? So, the Premier says not 20,000 but 32,000 men have been employed as a result of the operations of this government. Part of that comes from the Rural Development Authority, say maybe ten per cent or something, 3,000, or 2,000.

AN HONOURABLE MEMBER: Around 2,700.

MR. W. ROWE: 2,700? Now, I would like to know - of the operations started say a year or so ago - it is not fair to talk about ones that started a month ago because they have not even spent their money yet - but of operations that were helped with public funds a year or more ago, how many of them if they were expanded operations or new operations are still employing the extra men taken on as a result of the loan having been given? Does the minister understand what I am getting at? Yes? That is fine.

For example, we have a number of firms. Agricultural farming projects, forty-eight. New job created or assisted, sixty-two. It is the sixty-two I am concerned about. Here is an interesting one, Mr. Chairman, if I can find it here now. Yes, mortuaries. The number of firms at this particular time - it is October 24, 1973 - number of firms, one. Number of jobs created or assisted, point five, one half. They must have injected half life into the corpse they were dealing with. Half a man got a job. That is very interesting.

The cost of the loan was \$10,000. The reason for the loan, a funeral home or a mortuary. The number of jobs created, one half. What half of the man? Left or right?

AN HONOURABLE MEMBER: Inaudible.

MR. W. ROWE: Oh, I see. So, it is a man-year they are talking about, is it? Does the job consist of a man-year, one man employed for one year? Is that a job? Is that the definition of a job?

The whole thing about it is, you see, it is like the LIP Programme which the federal government uses. I am not accusing this

government of misleading or anything because all government use it. I suppose we used to use it when we were in. To talk about the creation of new jobs - what is one talking about? Permanent jobs? What is a permanent job? A year long? Six months long?

A LIP grant for example might make men work for two months or something or allow men to work for two months. They call it the creation of a job. Well, I would say that that is a very dubious definition at best. What kind of definition is used in the Rural Development Authority? What is a job created? Is it a man-year or is it -

MR. REID: If you have two men on for six months, usually that is a year. One man job.

MR. W. ROWE: That is a job. So, that is a job. So, here we have a half a man working for a full year or one man working for a half a year. What do you think is more probable in the case of a mortuary? A half a man working for one year?

AN HONOURABLE MEMBER: Why do you not apply?

MR. W. ROWE: I will try. In which case that will be one-and-a-half men working. If McLean applied we would have five men working. Why does he not get George McLean to apply? I ask the minister, Mr. Chairman, because then he could add up. He could put down, number of firms, one; number of new jobs created, eighteen or something.

Anyway, Sir, I would be interested in getting that kind of information. How many men are still employed? I realize the minister might not be able to come up with it immediately but if we carry on this debate all today and probably on Monday, we may get the information.

What I am surprised at is that the department does not keep statistics more or less readily available. I mean, there are all kinds of computer services in the government now. It should be a matter of having these figures programmed, fed into a computer and they can be -

AN HONOURABLE MEMBER: Inaudible.

MR. W. ROWE: No. Put it on the Order Paper. The Order Paper has nothing very much on it. Put it on the Order Paper. Mr. Chairman, I



like the minister to explain another inconsistency. Besides the whimsical, capricious method in which loans are handed out, thrown out, one man gets it for a timberjack, another man does not because it is outside the scope of the authority, one man gets it for a funeral home, another man does not because it is outside the scope of the authority, I would like the minister to explain another little inconsistency, Are these loans or are they grants? We hear the Premier say that the government will be fortunate if what percentage were paid back?

AN HON. MEMBER: Fifty per cent.

MR. WM. ROWE: Fifty per cent was paid back. Now that to me is the stupidest kind of a statement to make when you are using public funds. In other words, everybody who has a loan and who conscientiously wishes to pay the money back suddenly says, "Well good! Jim Smith down the road there is not going to even bother paying it back, why should I?" It puts the premium, Mr. Chairman, on people who are not going to use this money in good faith. It gives them an advantage over a person who may conscientiously wish to pay back the money.

I heard the minister, I did not hear, one of my colleagues heard the minister make a statement, was it this morning, or sometime recently in which he said a particular example brought up by the member for Hermitage was turned down because the field staff or the department considered that he was not capable of paying back the loan? Is that what the minister said? Something along these lines.

AN HON. MEMBER: Inaudible.

MR. WM. ROWE: Yes, well anyway, here is the minister saying that a loan has been rejected because a loan would probably not be paid back. Here is the Premier making a statement that we will be lucky if half the loans are paid back. Another example, Mr. Chairman, of the grossest kind of inconsistency, ineptitude and incompetence in the running by the government of this particular programme. We have seen no guidelines in the dishing out of the money. We do not know

if the money is a loan or a grant. If somebody came up to me in my district and said, "I got a loan off the Rural Development Authority but I am having a hard time. You know the business did not work out too well. What will I do?" I am going to have to say to him, "well you are required to pay the money back." At the same time knowing in my heart that somebody else who is not so honest and decent as that particular individual is going to make no effort to pay the loan back, encouraged by statements made by the Premier, encouraged not to live up to his legal obligation because of statements made by this government and by confusing the issue, by muddying up the waters so that people do not know if they have a loan. They do not know if they have a grant, they do not know if they are required to pay it back or whether if they do default the Rural Development Authority will just wink at them and say, "Well do your best now to pay this back," give him a pat on the back and send him on his way and that is the end of it.

This is the kind of a programme it is, Mr. Chairman. This is why the programme while good in intention, why although the minister may have been well intentioned when he started it off, this is why this programme is becoming a disaster and it will only come out, Mr. Chairman, in the next several months I would say, what a disaster this is, when we see the programme having been in operation for a couple of years, maybe even three years, you see how much money has come back, how many people have gone on a free ride at the government's expense and the problem with it. It is not the people concerned necessarily, the problem with it is the way it is being operated by this government and by the ministers. I do not blame any officials. Officials are trying to do their job within the policies and guidelines set by the government. I blame the minister involved for allowing this inconsistency to take place, for allowing some people to get loans or grants, whatever they might be, for one thing and other people not to get loans or grants for the

same thing, but for different reasons and for the Premier saying one thing in one breath, "We do not expect half these to be paid back," and the minister saying something else in another breath, probably now feeling the pressure, where he says that the Authority cannot give a loan to somebody simply because it was determined that he could not pay back this money.

I would like to know what kind of a determination was made with respect to these hundreds of persons, Mr. Chairman, as to whether they could pay them back or not. I would say that sometimes, Sir, persons are rejected because it looks like they cannot repay the money genuinely. I would say that the persons are rejected because genuinely the advice is that they cannot pay back this money, they are not capable of operating a business, that is the advice and they are not capable of creating a cash-flow sufficient to pay off these loans.

But I would say that in other cases, judging from the evidence presented by my honourable friend the member for Hermitage, evidence presented by myself and other evidence which will undoubtedly come out during this debate, I will say that in some cases in spite of the fact that officials have given advice that someone is not really capable of operating a business or should not be given public money, I would say that money has been given out by the authority because somebody is a friend of the administration.

I make that bald statement, Mr. Chairman, which is the same thing as saying that there is political patronage and political payoffs in this. I will be very interested in what the minister has to say about how he can explain convincingly to this House and to the public of Newfoundland that the Rural Development Authority is not completely off the tracks because I believe it is for the reasons I have given.

MR. PECKFORD: Mr. Chairman, I have a few words to say on this heading Sir.

MR. ROBERTS: Why not give the minister a chance to reply?

MR. PECKFORD: I want to apologize to the minister on that very point, Mr. Chairman, because I have some pressing things that I have to attend to right after I speak now and this is why I rise at this time. I am sure that the minister will understand that.

Being the member for a rural district and listening most intently to the comments of the member for Hermitage and the member for Bell Island and now the member for White Bay South, all of whom represent for the most part rural districts, the whole policy or strategy or attitude of the opposition towards rural development in this province is quite unclear, quite confusing. To anybody who has had the opportunity over the last day or two to sit in the galleries or as an honourable member to listen to these three spokesmen, it is no wonder they made such a mess or their lack of inaction when they were in power for any rational rural development policy. Because if one had to assess the comments made by these three honourable gentlemen it would be clear that we would not even have the kind of programme that is now in operation and we would not even have the lack of inaction that perpetrated the previous administration for so many years under that great Department of Community and Social Development, for which the member for White Bay South was minister, which, as far as I can determine, simply administered the resettlement programme. That was about the only thing that that department could have to its credit after some several years in operation.

AN HON. MEMBER: A quorum call.

MR. CHAIRMAN: We have a quorum.

MR. PECKFORD: Mr. Chairman, to continue, I am trying to make the point, develop the point that it is very unclear to me and I would suggest to many honourable members present as it might be to people in the galleries who have listening to the speeches on this particular head just exactly what the opposition are saying about rural development in this Province.

Listening to the member for Hermitage one gets one idea.

Listening to the member for Bell Island one gets another and listening to the member for White Bay South one does not know what he is suppose to glean from those comments that he made.

Needless to say, of course, the honourable member for Bell Island has done a great service to the country, to the Province and has shown without any doubt that as rural development affects his district, it has been extremely successful. If any great deal of pressure might be put on, knowing the member for Hermitage like I do, having being associated with him like I have for so many years, knowing the kinds of tactics that the gentleman is capable of using, I do not envy the member for Bell Island position today in this honourable House nor do I for the next couple of days because I can sense with some degree of certainty that the honourable member for Bell Island will be on the hot seat for several days to come as it affects the other side of the House.

So I hope, Mr. Chairman, that he is courageous enough so that if we are still discussing Rural Development next week that he will not have to come out and start attacking the very department that he supported a day or two before.

I hope and pray that he will stick to his guns, as he says himself, "Stick to your guns," Sir. Do not have them brain wash the honourable gentleman now in the next couple of days. Do not have them tell the honourable gentleman that he has done a disservice to the opposition.

AN HONOURABLE MEMBER: Inaudible.

MR. PECKFORD: Mr. Chairman, what really disturbs me and if I can go

from a lighter note to a more serious one, is this: The honourable member for Hermitage boasts publicly and privately too, I suppose, his great knowledge of rural Newfoundland, the fact that he was President of Green Bay Economic Development Association, the fact that he grew up in rural Newfoundland although if he want to talk about Rural Newfoundland I think the honourable member for Hermitage spent some of his time in the Grand Falls area which in his own interpretation of rural Newfoundland perhaps that would not necessarily fit in. He has spent some time in the Green Bay area and he boasts a lot about it.

Now, taking that to be true, let us assume that he has spent a fair amount of time in rural Newfoundland and taking it also as true that he has been involved in various rural development policies out there. Yet the honourable member for Hermitage stands up in this honourable House, criticizes everything that this government have tried to do so far for rural development, criticizes the policies that we have started and talks about, "There should be some kind of rural development policy to encompass all the problems of rural development." He at no time during his whole speech or I have not heard any public pronouncement from him to specifically articulate what his views are concerning what can be done in a practical way to help alleviate rural problems in this Province.

That is what he has not done. He has succeeded in trying to criticize and to provide negative things about the programmes that this administration has brought in but he has given no alternatives whatsoever as the opposition spokesman on rural development. As a man who has been in the public eye in this Province for a number of years and who boasts of the great knowledge that he has of rural development, I was absolutely and totally disappointed in the approach and attitude that that honourable gentleman took the other evening concerning rural development in this Province.

If, which he was, the President of the Green Bay Economic Development Association, if he know so much about rural Newfoundland,

well why does he not stand up in this honourable House and give us a lesson. He is an educator too. Give us a lesson in what we should be doing in rural development. What are the programmes? What are the points? What are the constructive suggestions that that honourable gentleman has to help alleviate some of the problems in Rural Newfoundland? What are they?

Surely nobody in his right mind listening to the honourable member for Hermitage could be impressed when all he has to offer is a negative approach to rural development in this Province. If he is really going to be creditable, if he is really going to be effective, if he is really going to do the job for which he was elected, surely besides just tearing down what now exists he must try to put something better in its place. If not, he has been a failure, he has been totally ineffective, and that is what the honourable member for Hermitage is doing.

I think he has a problem. I think I can sense that he has a very great problem and perhaps he may be able to overcome it in the next ten or fifteen years. That is that he is unsure, it seems to me, of just what approach he should be taking on the other side. He does not know if he should come out totally negative, whether he should be partly negative and partly positive. He does not know how he can enhance his own image within his own caucus. I think he is in a bit of a dilemma there and this is partly his problem which is totally unfortunate because once again he might be trying to use the position he has now to enhance his own image over there rather than contribute in a valuable way for the Province through speeches in the House. I think this is one of his problems.

Now he did mention that when this programme of rural development was announced by this administration that it was supposed to be the panacea for all of the rural development problems in this Province. It was supposed to be the end-all and be-all. Now where he got that impression I do not know because I do not think it was ever announced by this government, by any representatives of this administration that

this would be the end-all and be-all of rural development in this Province.

AN HONOURABLE MEMBER: Inaudible.

MR. PECKFORD: That is true. That is true. As far as rural development goes, it is true but saying that is not the same thing as saying that it is the end-all and be-all to all of the rural development problems in this Province.

Mr. Chairman, it is no problem to bring in a programme in rural development that can be better than what came twenty-three years before it, because they did not do anything. The honourable member for Hermitage was trying to make the point that we were saying, the administration was saying, "Here is a programme that is going to eliminate all of our problems in rural Newfoundland." Now where he got that and to be able to make that point in total sincerity and total honesty, I cannot understand it. I could never remember anybody ever saying that on the administration side. It was a programme that we thought would go some way to improving the lot of rural Newfoundland and to bringing employment opportunities to those places.

That is what it was meant to do and that is what it has done. For the most part, it has been successful. If one assess all of the evidence on this programme I think one would have to conclude that it has been successful. I can see with the member for White Bay South that it will take some time yet to see just how successful that will be because in the honourable member for White Bay South's district and in mine we have to be careful regarding the wood supply and so on there, with forest industry. The majority of the ones that have been set up both in White Bay South and in Green Bay have been successful and have a fairly good future. The majority of them do, especially in the Burlington Peninsula Area where you have a fair wood supply. The majority of them have been successful. As far as political partisanship as it affects my district or the honourable gentleman's, there has been absolutely none, absolutely none. I do not know if he has looked over the names there but if he should look over the names in Middle Arm which is



a Liberal stronghold -

AN HONOURABLE MEMBER: Inaudible.

MR. PECKFORD: There were none. I mean I can state categorically without fear of contradiction that as it affects Green Bay district and White Bay South that anybody who came with a sensible proposal to the board got a good hearing and got accepted or rejected. If one wanted to get right down to brass tacks about it and to look at the number of Liberals verses P.C.s as we know them to be now, there were far more Liberal applications approved in Green Bay than P.C. applications, far more.

AN HONOURABLE MEMBER: Inaudible.

MR. PECKFORD: Well there was not in the last election. There was not in the last election. I know quite a few in my district, good friends of mine, good Tories who got rejected. So they were rejected, so be it!

So the first point I wanted to clarify was this business of the administration saying that this kind of programme, this R.D.A. thing was the end-all and be-all to rural problems in this Province. That was never said, never intended. All this programme was intended to do was to take a crack at trying to do something for rural development. That is all.

Here is a programme. Let us put it in operation. Let us try it. Let us see what it is going to do. In some cases, perhaps twenty per cent or twenty-five per cent of the cases it is still uncertain whether it is going to work for those applications, for those industries.

No doubt,

in the forestry sector of that Rural Development Programme, in the forestry sector of it, sawmilling and pulp wood contracting, I think it has undoubtedly been a smashing success. It has alleviated unemployment in White Bay South, in Green Bay District to a large measure. Where before men had to leave and travel 150 miles to 200 miles for employment to Millertown somewhere, from White Bay South and Green Bay, they can now have employment right on their doorstep. This leads to the business of whether these are temporary or permanent.

Mr. Chairman, I submit, if you have an area where you can see, you have a five year cutting on a block of timber that is crown land, five years, what do you call that? Do you call that a permanent employment opportunity or do you call it a temporary employment opportunity? This is one of the things on this programme that you have got to settle away as far as it goes in forestry, because there are areas where this authority have given loans and that employment opportunity will last for about three years, four years, sometimes five years.

As far as taking it out of the hat, the fact that a loan was given to somebody who did not even have a permit for forestry, you know this was a mistake perhaps. This was a problem. Sure! Perhaps the loan should not be given, but you cannot condemn a whole programme because of that one mistake. But I know in the last six months or eight months or so that Forestry and the Department of Rural Development had been working very closely together. I know as it affects Central Newfoundland they have, because I have had inquiries about it and people waiting for loans to be approved. That could not be because we never had a clear indication, the department never had a clear indication from forestry whether the wood was actually there or not.

The honourable Member for Hermitage, whom I am trying to take to task here more than another honourable member, because of his whole approach to it, I doubt very much whether - it is too bad the Leader of the Opposition was not here. I do not know if he were here last night for some of the member's speech or not but I think he is going to be relieved of his position as opposition critic on rural development, I

really do. It is unfortunate that he did not see fit to give a better account of himself. You know, listening to his speech, you would not say that he knew anything about rural development.

AN HON. MEMBER: Well why does he fear him?

MR. PECKFORD: I do not fear him at all.

AN HON. MEMBER: Inaudible.

MR. PECKFORD: Well, you know, he is one of the gentleman over there who are making statements that have to be challenged.

AN HON. MEMBER: That is why he is afraid of him.

MR. PECKFORD: Not afraid at all!

"Any programme," he says, "must address itself to all the problems of rural development." I say, Mr. Chairman, that as a department that is responsible for rural development it must address itself to all the problems in rural development. But a programme that is initiated like the Rural Development Authority Programme, it is wrong to suggest that one policy or one programme should address itself to all the problems of rural Newfoundland. What you need under that department surely, Mr. Chairman, I submit are a number of programmes, a general overall policy for the department and under it a number of different programmes to address themselves to different and unique problems that exist throughout rural Newfoundland. You cannot have an ad hoc programme which is going to cater to a given problem here or another different problem there. It just would not work.

AN HON. MEMBER: Inaudible.

MR. PECKFORD: Yes, he did say it. He did so say it. Get the Hansard. He will see he did. That is what he said.

MR. SIMMONS: On a point of order. If the Member for Green Bay is going to quote me I suggest that he do so accurately. What I said on that subject is that any overall government programme which would seek to emphasize the development of rural Newfoundland must take into account the total problem of rural Newfoundland. Does he disagree with that, Mr. Chairman?

MR. PECKFORD: No, Mr. Chairman, I do not disagree with that.

MR. SIMMONS: Inaudible.

MR. PECKFORD: Because he was connecting it up with the Rural Development Authority Programme, at the same time. That is what he was doing. He was connecting it up you see, he was trying to accuse - because it was only the Rural Development Authority Programme was doing anything for rural Newfoundland. Then he was condemning it because it was not taking in all of the problems of it. That was the impression left, the distinct impression left on that.

All the opposition spokesmen on this thing, except the honourable Member for White Bay South who did attempt as I thought to do so, the honourable Member for Hermitage especially did not in his overall criticism of the Rural Development Programme give any facts nor figures to try and prove what he was talking about. It was all vague and a general way of talking about rural development in this province. There was nothing temporary. "They are in a good many places," for instance, "jobs temporary in a good many places, in a fair number of places. You know, there are a fair number of jobs that are temporary in this Rural Development Authority Programme."

So what kind of a statement is that. You know I do not think it holds too much. "A lot of disillusionment around the province because of rural development, because of the programmes of this department." These are pretty general, vague comments to make about a government programme. What do they show? What do they prove? "A lot of disillusionment around the province, about the Rural Development Authority Programme or about the Rural Development Department."

It is my opinion, Mr. Chairman, that if there is one department in this government where there is very little disillusionment about government policy is in this department. It is the exact opposite. It is the antithesis of what the honourable Member for Hermitage was trying to contend. There is absolutely none. I have been in -

AN HON. MEMBER: Inaudible.

MR. PECKFORD: Yes, right, in his offshore stuff.

You know, this is one department in the various districts that I have been to in this province that has reached out its influence through its fieldworkers and so on and have let the word go out through all the different communities with its fieldmen, just exactly what the policy is in this department. It is one of the more effective departments then, having so many staff that it can reach into all the rural areas out around. You know, I know the fieldmen out in Central Newfoundland. A lot of them are in several communities every week handling applications and explaining what the policy of that department is.

You know, rather than there being any disillusionment I think it is the only one of the few departments, because of its very nature of course, that actually explicitly explains to the people what is going on in that department and in what way this department can help them. So rather than it being a disillusionment, it is anything but, it is just the opposite.

The other point, Mr. Chairman, that must be challenged is the point that the opposition are saying that we are dragging - he used the word "drag" - that we are dragging people into this programme, that we are going out and twisting some honest citizen out there to come in and get a loan from us, so we can nail him when he will not be able to pay for it. Dragging them into this programme - dragging. This scheme that people have been dragged into" were the words that the honourable Member for Hermitage used, "Dragged into." These are irresponsible statements by a member of the opposition. "They were dragged into this scheme." Nobody was dragged into the Rural Development Authority scheme and the honourable Member for Hermitage knows it. Nobody was dragged into it. It was not fair for him to say that they were. It is a total misrepresentation of the facts. If there be a gentleman out in Green Bay or in Hermitage or anywhere else who wants a loan, he goes and he talks to the fieldmen and he says, "May I make application for a loan?" He knows better than that. He knows that is not true. When he was President of the Green Bay Economic Development Association, he knows that his

executive secretary, Mr. Budgell out there, would assist gentlemen from down around Green Bay to come up to the Chalet when a fieldman arrived to help make out an application. Nobody was dragged into the programme. That is not fair. That is unfair of him to say that. He knows it is wrong. Nobody was dragged into this programme. Whether it be good or whether it be bad or whether it be indifferent or anything else, nobody was dragged into it. He should not say it, because it is unfair.

AN HON. MEMBER: Shame on him.

MR. PECKFORD: I am the first to agree that there are aspects of this programme, as there are aspects of all programmes regardless, in Rural Development or in Industrial Development or anything else, that are wrong, that have not worked out. There are parts of this programme that have not panned out, in this department. There always will be, but overall and on balance - there is no overall and on balance and that is what we got to look at, is it not, Mr. Chairman? The fact that we have attempted to try and grapple with some of the problems of rural Newfoundland, that is what we are doing. It has not been a smashing success to the extent that is it the end all and be all to all of our problems in rural Newfoundland.

AN HON. MEMBER: Inaudible.

MR. PECKFORD: But in contrast to what came before it, if one wants to, you know, contrast it with that, in contrast to the academic concoctions that were made by high salaried people down in the Department of Community and Social Development for five or six years, this ivory tower stuff that remained closeted away somewhere and never saw itself translated into action, what we have done over the last two years has been a decided improvement. That is the point. Has it been an improvement or has it not? Have we progressed or have we not in Rural Development? That is the problem. I say and I suggest, Mr. Chairman, sincerely, that it has been an improvement. Is there room for more improvement? Lots of room for more improvement.

This is one place where I believe that, that the different development associations can have a lot more input, that in some areas like on the Great Northern Peninsula and down perhaps in Bay D'Espoir -

The Bay d'Espoir problem is not the same as the problem in the Community of Hermitage or the same problems that one has in Francois or MacCallum. The problems that I have in King's Point, Rattling Brook in the Green Bay District are not the same problems that I have in Nipper's Harbour and in Shoe Cove as far as rural development goes. It is different altogether. I think it is to a large extent a responsibility or an obligation upon a lot of these development associations.

AN HON. MEMBER: A quorum call.

MR. PECKFORD: Mr. Chairman, to continue; the whole point of anybody trying to contend that people were dragged into this scheme over their own views or discretion is a completely untrue statement. This has not been the case and I do not think for one minute that it will ever be the case regardless of what party is in power. It is a programme that people can come to with their applications and with their problems to try to get some assistance to employ several people in whatever industry they are interested in. It has nothing to do with people being dragged into it - there is no intention.

The other point I was trying to make on the overall Rural Development scheme as it affects this province was that I think that the various development associations in the various areas have a responsibility and an obligation to try to bring to the attention of the members in their districts and to the Department of Rural Development the kinds of problems that are perhaps unique to that area and that need to have some injections of funds in, through this programme or perhaps through other programmes like that. I think a lot of work could be done there.

This Rural District Council that Mr. Curran is head over, I suppose has had some input in this direction already, getting together all the ideas from all the development associations and then presenting them to the department. I do not think it is just the obligation on government to try to identify, although that is there, the problems that exist in the various area. It is also an obligation on the local level for those organizations that do get funding from the government to come across with ideas that they think are valuable for the development in

that particular area. As I suggested, it varies from one area to another as to exactly what can be done. Some areas will be forestry and other areas will be fishing and so on.

Perhaps one point that the Hon. Member for Hermitage mentioned that was a good one and I do not think we should lose sight of it, and that is the fact that our definition of rural development, when we are talking about rural development, we are also talking as the federal government does on various occasions about infrastructure, about road conditions and about water and sewerage because in many cases they go hand in hand. Which comes first? Should the job opportunities come first? (Providing a lot of tax dollars and then your water and sewerage and your better road connections.) Does one develop the infrastructure and get water and sewerage in there and a good road connection which would thereby attract employment opportunities? Which comes first? Is it the chicken or the egg? Unquestionably, talking about Rural Newfoundland and its development, one cannot lose sight of the fact that as far as services are concerned, there is a great responsibility on government to provide these services.

Mr. Chairman, what we have been doing over the last couple of years (I think it has worked to a large extent in many places) is that we have brought job opportunities nearer to home, like for instance in my area. This has put the need on government all the more now that this place has shown that it is viable, that it is going to continue to exist, that it is growing and more services have to be provided in order to - there is a greater pressure on government to provide services for that area because it has ninety-five or ninety-eight per cent employment as opposed to a lot of people getting welfare assistance or what have you.

Mr. Chairman, there are three other points before I sit down. The Hon. Member for Hermitage mentioned that there was no overall aim or objective in the Department of Rural Development. I



dismiss that out-of-hand as completely without any validity at all. I think he knows better. "The fact that the civil servants are doing a good job is a reflection upon this administration and upon its wisdom in hiring the right kinds of people to do the various jobs in that department." It is their job by definition to go ahead and pursue the policy that was articulated by the minister and by the cabinet. That is what the civil servants are for. We are glad to hear that the civil servants who work in the Department of Rural Development are doing a great job in their field and so they should. That is what they are getting paid for, and they are following through on the policy as articulated by the minister.

Mr. Chairman, as other members on this side have said, it is unfair. I think the member mentioned that the Minister of Rural Development, because he has a business of his own, private business, does not have the time to spend at his job. He can dismiss that out-of-hand. Any ordinary individual who has ever met the Hon. Member for Trinity South, the Minister of Rural Development, knows that he is a sincere and hard-working individual and that he understands rural Newfoundland as well as anybody who sits in this honourable House. He works hard and he can talk with the ordinary people of this province. To try to throw a red herring into the debate by suggesting that because the honourable minister has a private business, he is not doing justice to his department, can be dismissed by any ordinary individual who has had anything to do with the Department of Rural Development. I do not know to do it. Anybody who knows the honourable minister knows the difference of that. He understands rural Newfoundland. There are aims and objectives in that department and the Minister of Rural Development has knowledge of rural Newfoundland and can easily articulate it where it is needed to be done.

Mr. Chairman, the unfortunate part about this whole debate is that we should have had more constructive suggestions on

what other ways, what other facets of rural Newfoundland can government get involved in that would be advantageous for that area, that would be advantageous for the province. To just get up and flatly turn down and criticize and downgrade everything that a government has done over the past eighteen months might be of some consequence, might enhance some individuals and make them feel good. In the last analysis, if we are elected to be sincere, dedicated politicians, to try to help our areas, there is an obligation on us to also bring up - if we on the one hand boast of our knowledge of rural Newfoundland, then on the other hand we must be willing to put that to the test and contribute in a constructive way so that the Minister of Rural Development and people on this side of the House as well as on the other side will feel that they have some other suggestions that perhaps could be tried in that department to make rural Newfoundland even better than it has been in the last couple of years.

MR. EVANS: Mr. Chairman, I do not think I would be able to class myself as a fair representative of this province if I did not lend support to the work that has been done by the Department of Rural Development in its short tenure.

Never, in my estimation, in the history of this province have we had a minister who was so well suited to the task before him as the present minister of that department, Rural Development, a man who has been in touch daily, all his life, with rural Newfoundland and who showed that he could develop a business on his own whereas lots of people under the same circumstances would have failed. He is well qualified to know who is capable of receiving or not receiving help from his department.

In addition to that he has built up around him one of the greatest staffs that any department of this government has ever had, one of the most capable and likable deputy ministers that can find and right down the line. I know most of them personally. It saddens me to see that people criticize such a staff and such a department just for the sake of criticism alone. They think they are making headway but they definitely are not, not in this House or with their constituents.

This department fills a need that was echoed by our people for so many years under the former administration or lack of administration as one wishes to call it. How many times have we all heard people say, "Well, if a fellow could only get a bit of money from a government department to help him to start a little sawmill, a hennery or some other little simple thing", something that he knew how to do but did not have the capital to start it with.

All one could hear was, "Well, yes. Sure! If I were like Mr. Munroe or if were like Mr. Hazen Russell or somebody who had a few million dollars, I would get millions more from the government we have in office today." Today, thanks to the Department of Rural Development, that picture is changed. Thousands of people who never had the opportunity of helping themselves before, have been helped by this department.

We have been criticized to the extent that loans have been politically motivated and that sort of thing. This is absolutely bunkum. I would go so far as to say that after the next election

we will give loans to the nine defeated Liberal members over there.

AN HONOURABLE MEMBER: Inaudible.

MR. EVANS: He may need one. I was glad to hear the member from Bell Island come out last night in support of the Rural Development Department. After all, it shows that there is some good in the worst of us. I do not know what he is leading up to, probably looking for a loan himself, maybe to dig a tunnel across the Tickle. Remember he was going to dig one across the Straits of Belle Isle a few years ago and he could only get one shovel at that time.

Now, we have heard a lot of flak from the other side.

AN HONOURABLE MEMBER: The honourable member will hear more.

MR. EVANS: I hope it will be more constructive.

Considering that there have been grants made to St. John's which is not classed as a rural area, I wonder have the people who have been making these criticisms considered the fact that if one took our total population here in Newfoundland, it would not make an urban area rather for a city like Montreal or Toronto. The whole of Newfoundland is a rural area, including St. John's itself.

We have not had many requests from my district, as I said in the past, because on that coast, in particular under the former administration, people figured well, there was no use to apply to the government for anything. "We do not get it anyway." There have been a few applications made. I do not know whether they were from Liberals or Conservatives. I did not care, but where they were warranted, the loans or grants were made. I am sure that they will be paid off in time. As for most of the loans that are required in my district, they are in connection with the fishery and they are secured from the Fisheries Loan Board.

I may add right now that there have been considerably more loans made from the Fisheries Loan Board in Burgeo, La Poile than ever before.

Now, I do not intend to take up too much time because there are other speakers here as well.

AN HONOURABLE MEMBER: Thank God for small blessings!

MR. EVANS: Oh, he will get them. That is all he is going to get, small ones.

I understand that there was only one major application turned down this year from the Rural Development Board. I heard that they received an application from the Liberal Association for funds to finance the Liberal Leadership Convention this fall. No doubt they must have heard of the dark horse that was in the race, that Pierre Elliott Trudeau will be out of a job before too long. Can one imagine Pierre and Margaret and the two Christmas babies coming in joining hands with Baby Rodger and Baby Eddy, the bilingual gurgling and cooing. It would sweep the province.

The only objection that I can see will be that great defender against the former despots, the Member for Bell Island. He said, "We will fight this to the bitter end, even to the last drug store on Bell Island."

Mr. Chairman, I do not, as I say, intent to dwell on this subject too long but I know everyone who has any interest in the people of our province - as I say you can class it all in the strict sense of the word as a rural province - cannot but be more than pleased with the work that has been done by this department. Anyone who gets up in this House and states otherwise is going it for a political expediency. As I stated earlier, he is not going to do himself any good either in this House or on the outside. I trust that our worthy minister may continue in the work that he has started and I am sure that he will go on and do greater and greater things as the time elapses.

MR. REID: Mr. Chairman, I would like to answer a few questions that the member from White Bay South mentioned here. First thing, I would like to let the member know that Rural Development Authority loans are \$10,000. We have several people who may come in for loans, like timberjacks and various other things. They are looking for \$36,000 or \$40,000. I feel sure that the \$36,000 rejection is not because that we have never helped or would not help a certain individual. The point is that we have helped dozens of people to

purchase timberjacks. Our loan is \$10,000 and one thing we must have is first mortgage on any equipment that we let out.

Now, the member's mention about a back-hoe was turned down. Heavy equipment - in some cases we have helped in areas where if there were a back-hoe needed in the community and work was available, we certainly would help that individual. I am sure that person was not turned down because of political reasons. We hate to put out loans in certain areas where natural enough

we are going to put the next man out of business because rural development gave out an interest-free loan. We will help in various types of industries, several industries which probably in the minds of various people we should never help but in areas where there is need we will help any industry or any little viable thing that will employ a number of people and especially if the need is there. In a great many cases we have helped electric appliances, we have helped bakeries, we have helped garages, we have helped shops.

MR. NEARY: Only twelve members. Could we have a quorum call, Sir?

MR. CHAIRMAN (MR. STAGG): I think we have a quorum. Ring the bells.

MR. REID: Do we have a quorum? I was saying, Mr. Chairman, we have also helped truck body-building and I cannot see anything wrong when a certain person is going to use a number of people to build truck bodies when before some of the truck body-building places that we helped, we had to import all these truck bodies. I think we have somewhere around seventy-five per cent today of our truck bodies being built here in Newfoundland.

It was mentioned that we were only supposed to pay back fifty per cent on our loans. There has not been a loan gone out of our department that the person who received that loan did not realize that he was supposed to pay back every single dollar, every dollar he is supposed to pay back on that loan and very soon we will be introducing a one per cent interest after thirty days on these loans.

I think the member for White Bay mentioned -

MR. WM. ROWE: Is that one per cent a month?

MR. REID: A month, yes. I think the member for White Bay mentioned how many were repossessed. Did he ask that question just now, how many were - We had one death and we repossessed that and we have repossessed one piece of equipment up to date. I think there is something we should know and probably the members of the opposition

should know and I wish sometimes they would come down in our office, my office or the deputy minister's office, and we will certainly give them all the literature and all the information we can possibly give them.

Speaking of regulations, the basic regulations of Rural Development Authority Loans, types of business and industry qualifying for assistance, all applicants who are already engaged or planning to establish or expand on the following types of industries may be eligible for assistance - resource based industries, secondary manufacturing service industries concerned, essential to the community and are not available without reasonable access. I hope I have answered most of the questions of the member for White Bay.

MR. SIMMONS: Mr. Chairman, I would like to make a few additional comments under this head before we move on. Obviously on two or three points, judging from the feed-back I have been getting obviously on a couple of points, I did not make myself sufficiently clear so I shall attempt to do so once again. I thought in speaking on the matter last night I had stated quite clearly that I believe at the beginning, as does the member for White Bay South, that this programme had some potential and that it afterwards got off the track.

At no time have I said, Mr. Chairman, nor do I intend to say nor do I believe, at no time have I said that the whole programme was wrong. I have seen a number of attempts this morning to put words in my mouth which were not there. I have not at any time, nor do I condemn the whole programme. I have never said that, because I do not believe it. I do believe, Mr. Chairman, and before I go on Mr. Chairman, I listened with complete attention to the member for Burgeo and I would like him to do the same for me. I am getting a little sick and tired of his interjections, intelligent as they are.

AN HON. MEMBER: Inaudible.

MR. SIMMONS: I have not, Mr. Chairman, at any time condemned the whole programme. I believe in a programme for the development of



rural Newfoundland. I have said though that this programme is badly off the tracks and I have given some of my reasons, some suggestions. In replying to some of the items I mentioned, that my contribution here has been a rather vague generalization, that what I have said is rather general and without supporting documentation, I do not know where those members were, Mr. Chairman, when I first addressed myself to rural development a month or so ago in this House.

At that time I gave a lot of statistics. Statistics which, to the best of my knowledge, are accurate. They were prepared for me by someone else in I hope a dispassionate fashion. I told the individual what it was I wanted analyzed and that person proceeded to analyze it. I cannot vouch for every point of every percentage in the document but I can say that I have enough faith in the individual who prepared the percentages and the breakdowns for me that the conclusions reflected, and I reported all of these in the House at that time, they are far from vague, they are very much to the point. They give you percentages. They give you figures as they apply to every district in this province. I do not think that that can be construed as being very vague at all.

Last night I gave examples. Of course, I am sure the minister or the other members who have accused me of vagueness on this point, I am sure they would not want me to stand and start giving names. I offered last night in my comments to speak to the minister privately and give him the names. He has not taken me up on the offer yet but I repeat the offer, if he should want the names, I am interested in getting this programme on the tracks. I have at no time said, forget the programme, it is a dead loss, therefore let us wipe it out. I have at no time said that. I made passionate pleas, I hope, the last time I spoke, a month or so ago and last night, that something be done now to salvage this programme.

I believe that alone, Mr. Chairman, is evidence that I personally believe in the programme. I believe that we need this kind of programme. I do not believe that we need to administer it in this kind of way. That is the message we have been trying to get through to government members. That point has not been responded to at all.

Mr. Chairman, in listening to the minister a moment ago, he indicated that it is his understanding that every cent is to be paid back under these Rural Development Authority Loans. I am glad to hear him say that because as I read the enabling legislation, I understand that is what should be the case, that every cent ought to be paid back in proper time. Not only did he say that but he indicated that he was of the belief that all those who accepted or received a loan from RDA were individually of the understanding that they were to pay back every cent that they were getting. That is fair game. That is as it should be. That is the standard understanding of a loan. That is what the legislation provides for.

But that is not what the Premier is saying, Mr. Chairman. The Premier, in his speech in Montreal, is saying something quite different. I call upon the Premier or the Minister of Rural Development to clarify this matter. Did the Premier say something? Was it a slip of tongue, in Montreal, on February 26, 1973? Did he mean what he said? Was he

reflecting or stating just a personal opinion or an off-the-cuff remark that he was sorry for after? What is the status of the statement which he made? Was he speaking for the government? Was he wondering out loud? What was he doing? Will he indicate to the House whether that is government policy, that there is not going to be any real crusading effort to collect the money or will he speak to his Minister of Rural Development and get some consensus on this point so that people aspiring to get involved in private enterprise with the help of RDA can know where they stand?

Because I repeat the point that I made two or three times, Mr. Chairman, that there are people, responsible people who think twice before they incur personal debt. They would make a different decision insofar as going after a loan or not going after a loan. They would make a different decision, Mr. Chairman, if they knew that they might not have to pay back this loan. They would make quite a different decision, if they knew that the policing of it was not going to be very overt or very crusading. I believe that point needs clarification and I call upon the minister or the Premier who made the statement in Montreal, in contradiction - in violation of the legislation on this subject, he makes his statement - I call upon him, the Premier, or the minister to clarify this matter so that we know where we stand and where the people involve stand, in terms of RDA loan collection procedures and the degree to which these procedures and the legislation are to be enforced.

Before going on, Mr. Chairman, I think in the light of the connotations that have been attached to some of the things that I have said, attached by the Member for Bonavista South in particular, the insinuation that somehow I have something personal against the Minister of Rural Development, of course that is not the case at all. I believe we must be in this House mature enough to stand and state our feelings on subjects without casting aspersions on person's motives. I certainly do not have anything personal against the Minister or Rural Development.

I do not know the gentleman; I have had occasion to meet him. In my first couple of meetings with him before I got involved in elections, politics, I found the meetings to be quite cordially. I indicated last night that we had a meeting at Springdale Junction in the Information Chalet out there, owned by the Green Bay Economic Development Association. We had a quiet cordial meeting then. I had met him three or four times perhaps at the most before coming into elections, politics and our meetings were quite cordial.

So I have nothing personal against him. I have tried in the past couple of months to strike up conversations with him, I believe on three occasions. I must report they have not been particularly successful attempts to engage in conversation with him. The latest being a night or so ago at the Holiday Inn and on another occasion being just after I had delivered myself of some comments on rural development - six weeks ago in this House.

My attempts to engage in personal conversation with him have not been particularly successful but let the record show on all two or three occasions I initiated the attempt. That is the best I can do.

Mr. Chairman, some of the members got all excited about this business of arm-twisting. Arm-twisting, well I used the expression last night. I was not using a complete script so I cannot repeat verbatim at this moment as exacting what I said. But I believe I recall reasonably well the context in which I used the term "Arm-twisting".

Mr. Chairman, first of all let me stand by that statement of last night concerning arm-twisting. I said I have knowledge of examples on this very point. Now again I do not think I have to keep repeating to the committee that I am not going to give names here. I am just not going to give names. I will give names privately except where I would be violating confidences, I will give names privately to the minister or to his officials on the subjects concerned. The one I am going to mention is certainly an example that can only be construed as arm-twisting.

Mr. Chairman, I am not fabricating this. This is a case history that has been passed on to me - not first hand but second hand. My source is a good one. His source is the individual involved. So I

get it second hand from the individual who I maintain was the victim of some arm-twisting on the subject. Then I will give you the example as follows: I should perhaps preambule by saying that the government, the department, the RDA I ought to say, has to maintain some kind of creditibility in terms of its rate of collection, it has to demonstrate to itself or to whoever that it is collecting money from those who have loans. Keeping that in mind and keeping in mind my charge about arm-twisting - how is this for an example. I know of a man who had a loan from RDA, a \$6,000 loan. He went to RDA or some official or politician involved and said, "Look I want another \$4,000." That is a reasonable request depending on, I cannot adjudicate the circumstances you will have to look at the application, of course, but in terms of the legislation providing for loans up to \$10,000, he was not asking for anything out of the ordinary. He had \$6,000, he was looking for another \$4,000. Apparently he had decided to incur some additional expenditures to enable him to expand the enterprise after, sometime subsequent to getting his first loan of \$6,000 so he went and said, "I want to get another \$4,000."

The deal that was offered to him was this; You give us \$1,000 and we will give you \$5,000.

AN HON. MEMBER: (Inaudible)

MR. SIMMONS: It happened, Mr. Chairman. "You give us \$1,000 and we will give you \$5,000." Now let us do some arithmetic. He had \$6,000, he wanted \$4,000, which would make \$10,000. But the problem was, Mr. Chairman, he had not paid back any, not one cent of that \$6,000.

AN HON. MEMBER: This fellow will go mad.

MR. SIMMONS: Not one cent. So to show the - Mr. Chairman, the minister has, he must be even recognizing this case as I am talking about it. Let us not have him try and put me on. He knows the example. Let him go and find the information. He knows more about the detailed example than I do.

MR. REID: I never heard of the example before.

MR. SIMMONS: Perhaps that is an example of how closely he is involved in the administration of his department.

MR. REID: Inaudible.

MR. MOORES: He has a duty as a public servant.

MR. SIMMONS: Pardon?

MR. MOORES: He has got a duty as a public servant.

AN HON. MEMBER: Why does he not go to the Department of Health.

MR. SIMMONS: I have already indicated, Mr. Chairman, that I have tried to strike up a couple of conversations with the minister and not with much success. I am not going to push myself.

MR. SIMMONS: So. It is not nonsense. Mr. Chairman, -

MR. REID: Mr. Chairman, on a point of order. I do not think - I was going to say something then - I do not think the member for Hermitage should ever stand up there and tell this committee that he ever tried to have a conversation with me. I do not care who they are, I would speak with them, have a conversation with them any time, any place. He has never tried. In fact, I was talking with Gaultois people over at Holiday Inn the other night when he came there and he never asked me one thing, never said anything about a loan. He does not know where my apartment is. He has not written me a letter. What more can a minister do?

MR. SIMMONS: Mr. Chairman, what is the point of order, Mr. Chairman?

AN HONOURABLE MEMBER: The honourable member is misleading the House.

MR. SIMMONS: Help him. Write a speech for him, write a speech for him. That is one thing you are good at.

MR. CHAIRMAN: It is a question of disagreement between two honourable members which is not uncommon to this Committee.

MR. SIMMONS: Mr. Chairman, in referring to the attempt at striking up a conversation, I did not say I went to raise a matter of loans. What would have transpired in a conversation? I cannot predict what happens in a conversation of considerable length, if it get off the ground. I say I attempted to strike up a conversation with him and I say I was not particularly successful.

AN HONOURABLE MEMBER: How does the honourable gentleman get into a conversation?

MR. SIMMONS: Well I would say, Mr. Chairman, since the member for Placentia West is not sure, a conversation involves a two-way exchange and if one person say something and does not get any response from the other who walks away, that is not a conversation. That is not a conversation. He did not say that. If he had said that, at least knew where I stood.

AN HONOURABLE MEMBER: What did he say?

MR. SIMMONS: Nothing.

AN HONOURABLE MEMBER: Inaudible.

MR. SIMMONS: Mr. Chairman, that would be I, Mr. Chairman.

AN HONOURABLE MEMBER: Yes, -

MR. SIMMONS: One and a half would go in and one would come out.

AN HONOURABLE MEMBER: Yes, under the door.

MR. SIMMONS: Mr. Chairman, for men who try to tell me not to be awfully nasty or personal, I can only admire their own side. Mr. Chairman, they are awfully worked up about NTA. Were it the time to discuss it, I would discuss it with considerable pride. I could tell those guys a few things about NTA but it is not the occasion. We will have occasion when the Minister of Finance tells us what he intends to do on the request from the NTA on the reopening of contract negotiations. As usual, the junior member for Harbour Main is making us on this side get irrelevant again. One of his greatest abilities is -

MR. MARSHALL: Would the honourable member permit a question?

AN HONOURABLE MEMBER: Put it on the Order Paper.

MR. SIMMONS: The Order Paper, that is what we are told. I think I would love though, just the same Mr. Chairman, to hear a question from the member of St. John's East.

MR. MARSHALL: I followed with a good deal of interest the debate and the answer by the honourable member for Hermitage. I would like to know now whether he at this time agrees with the praise that has been heaped on this programme by the honourable member for Bell Island or whether he is at odds with him as he was last night.

I cannot quite figure out from the reply of the honourable member today whether he is still diametrically opposed to the position taken so correctly, not for the first time, one of the few times by the honourable member for Bell Island or whether he is completely at odds with him still. Does he agree with the member for Bell Island or does he disagree?



MR. SIMMONS: Mr. Chairman, first of all of course, I do not remember at any time, as a matter of fact I think the member for Bell Island spoke after I did last night. So I do not remember at any time taking issue with anything the member for Bell Island said.

I will tell the honourable member why. I will tell the honourable member why, Mr. Chairman. I will tell you my interpretation of what he said and he can tell the honourable members his. My interpretation is that I heard him say some kind things about the Minister of Rural Development as I have done.

MR. NEARY: Yes, in connection with Bell Island.

MR. SIMMONS: What was that? - Mr. Chairman, I did not leave the chamber after I made my comments until eleven o'clock last night, at no time.

AN HONOURABLE MEMBER: Inaudible.

MR. SIMMONS: That is possible. Mr. Chairman, I was about to say that I believe as I heard the member for Bell Island; he gave some personal commendation to the minister in respect to some personal involvement that they had with each other, you see. I did not hear him say much about the Rural Development Programme. I shall be interested as I am sure all members of the committee will be to hear what the member for Bell Island has to say about the Rural Development Programme but what I heard him say last night was some gentlemanly comments that I would have made if the minister had come to my bailiwick. I would have made the same kind of comments. I made them as a matter of fact, I demonstrated the same style, if you want to use that work, earlier in the evening.

AN HONOURABLE MEMBER: Inaudible.

MR. SIMMONS: Could I have some order, Mr. Chairman.

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

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

MR. CHAIRMAN: Please continue.

MR. SIMMONS: Mr. Chairman, I demonstrated earlier in the evening the

same kind of soul-baring, if you like, the same kind of genuine feeling towards government ministers when I commended the Minister of Municipal Affairs and Housing and the Minister of Transportation. I withheld the full brunt of my commendation in respect to the Minister of Transportation because he was not then present as he is not now. When he gets here I fully intend to say something about the cordial treatment he gave us.

Indeed, talking about cordial treatment, I have already said last night and again today, something about the cordial treatment the Minister of Rural Development accorded me when he had occasion to visit me in Green Bay. So I do not see why the honourable members on the opposite side are all worked up about the subject of the question put to me by the member for St. John's East.

AN HONOURABLE MEMBER: Inaudible.

MR. SIMMONS: Mr. Chairman, that is an announcement, the saw mill is going ahead. The honourable member confirms that?

AN HONOURABLE MEMBER: Yes. -

MR. SIMMONS: Thank you.

AN HONOURABLE MEMBER: - announcement upstairs.

MR. SIMMONS: Tremendous! Mr. Chairman, at the time, of course, the announcement was made in answer to what the Premier just said and after the announcement was made by the Minister of Forestry some weeks ago when he was introducing the bill that never got off the floor or on the floor, at that time it was not 'if' and I was last night, the Premier was absent at the time, I was quoting back some statements he had made to rotary.

AN HONOURABLE MEMBER: Inaudible.

AN HONOURABLE MEMBER: These districts have been neglected for so long.

MR. CHAIRMAN (Dunphy): Order, please!

MR. SIMMONS: Mr. Chairman, on the subject of the -

AN HONOURABLE MEMBER: We are just trying to defend the honourable minister -

AN HONOURABLE MEMBER: I will defend him with -

MR. SIMMONS: Mr. Chairman, on the subject the Premier raised about the sawmilling in Bay D'Espoir, he says, "But we came through." Is he suggesting that keeping in mind the statement he made to rotary a year ago that we do not make great announcements until we know? Is he suggesting that they have known all along that they were going to get the loan, they are going to get a grant, I am sorry, from DREE. Has he known this all along and just did not tell us until last night?

MR. DOODY: The provincial commitment was made at that time. We were waiting for the federal commitment which just came through.

MR. SIMMONS: Tell us about Burgeo. Is it the same thing?

MR. DOODY: It is the same thing.

MR. SIMMONS: It could have gone without the federal commitment, though.

MR. DOODY: The provincial commitment is made and we are waiting for -

MR. SIMMONS: My point last night is still valid that without the federal commitment it could not have happened and it was an 'if' project at that time.

MR. DOODY: The provincial commitment was made.

MR. SIMMONS: An 'if' project. All I am asking is has the Premier abide by his statement at rotary on January 18, 1973. "Do not make the announcements until they are ready to be made."

MR. DOODY: He is alive and well in his district. Be happy!

MR. SIMMONS: I am happy.

MR. DOODY: Well, smile.

MR. SIMMONS: Mr. Chairman, if I ever go on stage, he is going to be my producer.

AN HONOURABLE MEMBER: Somebody did the job already.

MR. SIMMONS: Mr. Chairman, getting back to the example I was putting to the committee about the loan, the initial loan of \$6,000 and the man who had gone looking for another \$4000, I was reporting to the committee that on good authority I know that a bargain was made or was offered this particular man, "Give us \$1000, we will give you \$5000." Of course, the arithmetic points to the obvious.

In taking from the man \$1000 and then giving him \$5000, on paper they were showing that he had paid back \$1000, a smart scheme if you are trying to have the appropriate paper work to produce at a given time to show that there is a payback on loans. In terms of what the total debt on the Province was, the authority was, nothing had changed. He was still getting \$10,000. He was temporarily getting \$11,000 for a minute until he handed over his cheque.

Mr. Chairman, I have served the point of my example so I shall proceed. If the Minister of Industrial Development should want the answers on that subject I suggest he check with the Minister of Rural Development.

Mr. Chairman, I have heard a lot said about how hard the Minister of Rural Development is working. I am not at all under any illusions that he is not working hard, not under any illusion about that at all. Contrary to what he suggested to the committee he knew the difference. Contrary to what he suggest to the committee, I have been in his department on many, many, many, many, many occasions. He should know that. If he were in there at all he should know it. I have been there many times. He gets up and suggests that I do not know where the Department of Rural Development is.

Let him talk to one of his men. For example, let him talk to the RDA man, if he should say that I do not know anything about the department or what is going on or that I am not interested. Let him talk to Mr. Dan Stone and ask him how many letters he gets from me on the subject and ask him how many letters he has had from me in the last two months on the subject of RDA loans for people in the Hermitage District. He will not stand there with a straight face and tell this committee that I have had no involvement or as somebody else suggested last night that I am not trying to encourage RDA loans. I believe some things are wrong with this programme but I am not going to allow that to deprive my constituents of an opportunity to avail of a government programme. Sir, I am not going to allow that to deprive my constituents of an opportunity to avail of a government programme. I have referred, I would say, maybe thirty or maybe forty, between thirty and forty is my honest guess at the moment.

MR. BARRY: Is the honourable member saying that he is misleading his constituents into accepting the financial -

MR. SIMMONS: No, Mr. Chairman, I am not doing that at all. I have referred between thirty and forty people to what is a due process to see if they are qualified. I cannot as one individual citizen in this province police the Rural Development Authority or the way it conducts its procedures. I can make an appeal as a member of this House that the procedures be more proper.

MR. BARRY: I thought the honourable member said -

MR. SIMMONS: As a Member of the House of Assembly and as a representative of the people, I am going to make them aware of what government programmes are available. This I have done, Mr. Chairman.

MR. BARRY: The view the honourable member gave yesterday was that people were getting sucked into these great financial commitments by the department.

MR. SIMMONS: The Minister of Mines and Energy, being a man of simple mind, cannot see the difference between the two of what I am saying and what he is alluding to.

MR. BARRY: Oh yes, he can.

MR. SIMMONS: If the honourable gentleman would listen, he may learn something on the subject.

The difference obviously is this: Of the many people who have applied and who have received loans under the authority, there are a number of people who can well pay the money back. If, as I maintained there are and as there are a number of people who are involved in this scheme without being able to pay the money back or without having the kind of business financial management to look after their affairs, after they get the loan -

MR. BARRY: Oh, I see, people are not competent to look after their affairs.

MR. SIMMONS: I say then, Mr. Chairman, that the onus is on RDA to be more selective in whom they give the loan to.

MR. BARRY: That is very patronizing.

MR. SIMMONS: Mr. Chairman, -

MR. BARRY: Mr. Chairman, the House Leader of the Opposition just got through saying -

MR. SIMMONS: / Mr. Chairman, I have the floor.

MR. BARRY: The House Leader of the Opposition just got through saying that one should not be discriminating between giving it to some people and not giving it to others. I mean, get together. He is completely contrary to the whole philosophy there.

MR. SIMMONS: Mr. Chairman, if the Member for Placentia West will listen, he will be able to determine whether I am contrary to it or not.

MR. BARRY: Is not the honourable gentleman saying something different than the House Leader said a moment ago?

MR. SIMMONS: I do not think so.

What I am saying, Mr. Chairman, is that as a Member of the House of Assembly it is my responsibility to make my constituents aware of what government programmes are available and to refer them to those programmes to see if they are eligible. That is number one.

Mr. Chairman, number two, I am saying that -

MR. BARRY: That the government should be more selective.

MR. SIMMONS: Mr. Chairman, may I finish ?

MR. BARRY: I am sorry, go ahead.

MR. SIMMONS: Listen for the example. The Hon. Member for Placentia West may learn something.

MR. BARRY: Okay, I am listening.

MR. SIMMONS: It is my responsibility as a member to refer my constituents to any government programmes that they may qualify for legitimately. It is the onus of the administrators of that programme to see that proper selection is done, to see that people are not being victimized by having money made available to them in situations that might compromise them later on financially or otherwise.

Mr. Chairman, I have heard it said, as I was saying a minute ago, that the minister is working very hard. I have no doubts on that subject whatsoever, no doubts about his working hard. He has a record, from what I know, with his success in business, for being a man who has worked very hard. He is the financial success that he is today because he has worked very hard. I have at no time disputed that, Mr. Chairman.

Mr. Chairman, I will tell honourable gentlemen what I have disputed though and that is that the hard work he is doing, he is doing on the part of the Department of Rural Development and that is where I take issue with the members opposite. I say he is at best, at most, a part-time minister. I say he has too many outside involvements to be able to give his attention to this. I have not said that he is lazy, I have not said that he does not work hard. The one conversation that I have had an opportunity to horn in on, he told about. At that time, let me tell the honourable gentlemen that he was in no way talking about rural development except as it affected the dispatch of equipment, his company's equipment. I do not have any illusion, he is a hard-working man. Do not ever misunderstand me on that particular issue.

Mr. Chairman, I have heard it said in the debate, the discussion under this head, that we have not forced any one to take loans. I think that that was said by the Member for Green Bay or the Member for Bonavista South, I am not sure which member it was. What

puzzles me first of all is how these men who in one breath tell us that this RDA is completely divorced from politics, that it is a separate administration off there by itself, how they can say that in one mouthful and tell me in the next mouthful that they are so informed about the operation of RDA that they can stand there and almost on oath say that we have not forced any one. How can they vouch for it to start with as just another member of this House of Assembly? How can they vouch for every action of the RDA, if they are not having some backroom involvement in it?

MR. BARRY: The logic escapes me.

MR. SIMMONS: Mr. Chairman, I am not surprised that the logic escapes the Minister of Mines and Energy. I am not at all surprised.

MR. BARRY: The lack of logic.

MR. SIMMONS: That tends to encourage me, that tends to let me know that my point is probably getting across to those who are listening as the logic escapes the Minister of Mines and Energy.

MR. BARRY: The seat for Hermitage is still vacant.

MR. SIMMONS: I have heard that line before. The honourable gentleman's colleagues does not laugh at that any more. The honourable gentleman needs a conductor to get that orchestrated laughter which the Minister of Finance is so capable of. He can get the laughter but the honourable gentleman does not have the style. Let us face it, the honourable member just does not have it but he is trying hard. He does not have it.

MR. EVANS: (Inaudible).

MR. SIMMONS: I have all the time in the world, Mr. Chairman, I understand the overall assignment, the overall purpose of the government members. Now that we have been limited to seventy-five hours, the more time they kill on interruptions and backbench speeches, the less time we have to query them on the estimates.

AN HON. MEMBER: Let us have a quorum call.



MR. SIMMONS: If the members were kept in the House, there would be no need to have quorum calls.

MR. BARRY: Mr. Chairman, I would like to make a few comments on the rural development. Has there been a quorum call?

MR. CHAIRMAN (Mr. Dunphy): We do not have a quorum. Ring the bells. Will the clerk count the House please? We have a quorum.

MR. EVANS: Point of order: Is it not the rule of this House that if the government side of the House cannot produce a quorum, the House is automatically dissolved for the day. I suggest that this is a two-way street. If all the members on that side vacate the House, it should be also dissolved for the rest of the day.

SOME HON. MEMBERS: Hear! Hear!

MR. SIMMONS: Mr. Chairman, do you want to rule on the point of order?

MR. EVANS: The honourable gentleman would not know how.

MR. SIMMONS: Did the honourable gentleman say that the Chairman would not know how?

MR. EVANS: The honourable gentleman would not.

MR. SIMMONS: Oh, he is supposed to make the ruling, not I.

MR. BARRY: Point of order, Mr. Chairman: I understood the honourable member relinquished -

MR. SIMMONS: No, Mr. Chairman, I had the floor at the time the quorum call came.

MR. BARRY: Point of order, Mr. Chairman, point of order -

MR. CHAIRMAN (MR. DUNPHY): Order please! The member from Hermitage was speaking and I do not think he has finished. The member from Placentia West I think he rose during the interim period when there was no quorum in the House, actually it was not in session. So the member for Hermitage, I recognize him.

MR. SIMMONS: Thank you, Mr. Chairman, for your fair ruling. I am not surprised the Minister of Mines rose in a vacuum, that is what he is accustomed to speaking in, a vacuum. Mr. Chairman, I believe what concerns me most insofar as the administration of the RDA is concerned, certainly as it affects the people who would apply for loans is the lack of guidelines which the member for White Bay South made reference to, or perhaps a lack of guidelines is being too kind. It is not that there is a lack of guidelines, there are too many guidelines, too many conflicting guidelines. The guideline which says, "Yes, we will give you a loan for a timberjack," but which says tomorrow, "No, we will not give you a loan for a timberjack.

Now that kind of thing cannot be covered under any one guideline so there must be several complimentary or conflicting or whatever which get doubled, according to the attitude and the mood of the individual making the decision I suppose.

MR. BARRY: Inaudible.

MR. SIMMONS: Mr. Chairman, I am anxiously looking forward to the contribution of the member for Placentia West. He is going to shoot his whole load beforehand. Mr. Chairman, if he does not stop his interjections. He is going to tell us exactly what he is going to say and then in usual style he is going to say it and then he is going to tell us what he said.

Mr. Chairman, at no time have I advocated that this authority or this rural development programme be abolished. I have made an urgent plea that something be done about it to salvage it before it is too late and one of the suggestions I would like to make relates to these guidelines, as they are affecting persons. He can treat it lightly if he want to. They are adversely affecting persons who would like to avail of this government programme to get involved on a private enterprise. I have a number of examples right now of persons who have made application in my own district, and the minister has them or he can check with Mr. Dan Stone; the inquiry is on file with Mr. Stone, a number of persons who have made application for various enterprises who have been told it is outside the scope of the authority. That is fine. Every programme must have its guidelines and its scope, I am not complaining of that, but I do complain when the kinds of reasons, the kinds of enterprises on which these persons were rejected, that same kind of enterprise is getting approved elsewhere and not as the Minister of Mines suggests because there is a difference insofar as the financial ability or the management ability of the applicant is concerned, not for that reason but because it is outside the scope of the authority. I say if outside the scope at one time, it is outside the scope at all times until such time as the terms of reference change. I ask the minister to look at the number of examples I am referring to in which my constituents, and I can only speak for mine on this subject, have been written and told that the enterprise which they wish to have funded under this RDA programme is outside the scope of the authority's jurisdiction while at the same time I see the list that the member for White Bay South made reference to earlier where the same kinds of items have been approved, indeed persons have received approval for loans and have received the loans on behalf of those enterprises which in my district have been outside the scope of the authority.

I ask the minister to look into that and indicate to the

committee or to me privately if he wishes, what the rationale to that is and what he intends to do about it insofar as it affects the applications from constituents in my district.

Mr. Chairman, I was going at the beginning of my comments to respond to some of the remarks which the member for Green Bay had made, I decided against doing so, however, because I realize as he proceeded that he was quoting me so freely, as he will find when he checks his quote against what I said, he checks it in Hansard, he is quoting me so freely that there will be no purpose, Sir, in responding to what he said I said, because I did not say those things in most cases. He quoted me rather freely. I hope it was not any deliberate effort to distort or misrepresent what I said but that can be established by comparing his version of what I said with what I did say last night. I assure you, Mr. Chairman, from where I sit the versions vary greatly, vary greatly. So I see no point in pursuing that subject any further.

Mr. Chairman, the whole point, and let us get down to brass tacks on this, the whole point is not whether we are going to have a rural development programme or not - the fact is we have one. We have a label which says there is a rural development programme. The difference is what kind of programme, how it is being administered and what its effect is at the moment or if the taxpayer is getting the ultimate mileage for his tax dollar. I am maintaining that he is not. I maintain that what has been called a rural development programme is doing very little for rural as opposed to urban. It is doing very little for rural Newfoundland. It is creating jobs. I have "admitted" is not the word, as it sounds like it is something you do not want to do, I freely acknowledge that the rural development programme is creating jobs. I have said this on a number of occasions in this House. The member for Bell Island last night said that, the member for White Bay South today said that the rural development programme is creating jobs. That is not the dispute. But I believe if you want to assess and

if government members want to assess the overall impact of the so-called rural development programme, if they want truly to understand what is our concern in this matter, they ought to ask themselves honestly the question; What is the rural development programme really doing for rural Newfoundland other than creating some jobs? What is it doing for the improvement of rural Newfoundland?

Mr. Chairman, I have searched and I cannot find an adequate answer. I am not convinced that the rural development programme so-called as it operates at present, as it is administered at present, is doing anything substantial for rural Newfoundland if you take out the actual job creation role. Last night in talking about this, I referred to it as a kind of a LIP project and if the rural development programme is nothing more than a job provision, a job creation programme, then it must truly be called a LIP project as we know LIP projects in the last two or three years. It just provides jobs whether it is in Grand Falls or Topsail Road. I have heard some wild things in my day in this House but I have never heard anything as wild as someone trying to suggest that Topsail Road is really pretty rural. "It is not really St. John's." Well it depends on where you draw the boundaries, but it is not an awful way out of St. John's. It is not particularly isolated, Mr. Chairman, I think you will agree, not awfully out in the sticks, as they say here. I think you would have to contend that in almost any definition of the urban community, Topsail Road would more qualify as belonging to an urban setting than belonging to any rural setting.

It is not enough, Mr. Chairman, for a rural development programme to provide jobs. If that be all you want it to do, let the government call a spade a spade, let the government call it what it is, but let us not continue to deceive the people of rural Newfoundland by telling them somehow there is a rural development programme. There is not, Mr. Chairman. There is not at this moment a rural development programme in the sense that would normally be conveyed by that term rural development.

The programme is doing literally nothing, literally nothing to develop rural Newfoundland. Mr. Chairman, I should have I suppose in all kindness responded to two or three points that my friend, the member for Burgeo, made in his address to this committee this morning.

AN HON. MEMBER: Inaudible.

MR. SIMMONS: It cannot be any worse, Mr. Chairman. It cannot be any worse. God help us! Let them promise at least that it will be better.

God help us! Let them promise at least that it will be better.

Mr. Chairman, the best comment I have on his contribution - as the Chair is not too preoccupied with the member for Placentia West, I will get on. Mr. Chairman, the best comment I can make on what the member for Burgeo has said is that he is the best example I know of the need for rural development.

AN HONOURABLE MEMBER: Inaudible.

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

MR. SIMMONS: I can only appreciate, Mr. Chairman, the concern I have heard from a number of members opposite, concern for my political welfare. People are wondering out loud why I am doing this and advising me strongly that I may be making some interim mileage but in the long run I am really goofing things up and so on. I am concerned about that kind of thing. I am also suspicious as to why they would give that advice, so kind.

Let me assure those who spoke and those who have not, Mr. Chairman, that my concern in this is a genuine one. I do not know all there is to know about rural Newfoundland. I believe, like every member who comes from rural parts of the province, I bring something to the discussion by way of my background in rural Newfoundland. I can only make my comments from my observations and my background to date. With that background, I want to say genuinely that this programme is badly off the tracks. This programme is not a Rural Development Programme.

Let the Minister of Rural Development, instead of being belligerent on the point, let him listen to the overall, the overriding, the genuine concern which we are voicing on this matter and stop being defensive and belligerent about it and receive the message we are trying to get through to him, that this programme has potential. It is in bad shape now. It is not doing anything in terms of development of rural Newfoundland other than the direct job creation role that it is performing to some degree.

Let the minister and let the Premier and let the government members take that message under advisement and let them ask themselves

as the administration of the day, "What can we do to make this programme a true, a genuine Rural Development Programme, one that is worthy of the name Rural Development Programme."

I must put in context again what I said last night. Mr. Chairman, since the member for Green Bay chose to misquote me on the subject; I was not saying that the Department of Rural Development should have the overall jurisdiction in everything that goes on in rural Newfoundland. My God, that would be the equivalent of saying that the Rural Development Department should be the government! Of course, I am not that naive. I am saying that the Department of Rural Development has a rôle, a very clear role here. I am saying that many other departments of government, Municipal Affairs for instance, Transportation for instance, Industrial Development as has been demonstrated by the indication from the Minister of Industrial Development on the new industry for Bay D'Espoir area all these departments and others that I have not listed, the Department of Health certainly, have an impact to make the life in rural Newfoundland more convenient, more comfortable.

I said last night, as I would like to repeat now, that the overall any government programme, embracing as it does the various departments, in rural Newfoundland must take into account all the problems of rural Newfoundland. It is not enough to say, "We are providing jobs, therefore we have a Rural Development Programme." That is not enough. It will not wash. It will impress in the short term the few people who are getting the loans and the number of people who are benefiting in the interim by virtue of getting jobs as a result of the new enterprises that have been begun or expanded as a result of the Rural Development Authority loans.

It is not enough to provide jobs and to say, "There is our Rural Development Programme." That is our concern in this matter, Mr. Chairman. It is one that needs to be answered. It is one that has not been answered yet. No speaker yet, Mr. Chairman, has addressed himself to that particular issue. I have heard a number of speakers say that jobs have been created. I agree with all those speakers, Mr.



Chairman. We have no dispute on that particular subject at all.

I have not heard any speaker on the government side say that, "Oh, the loans -

MR. CHAIRMAN (MR. STAGG): Order, please! If the honourable member would permit, it now being one o'clock, I do now leave the Chair until three o'clock this afternoon.



**PROVINCE OF NEWFOUNDLAND**

**THIRTY-SIXTH GENERAL ASSEMBLY  
OF  
NEWFOUNDLAND**

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Volume 3

3rd. Session

Number 56

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**VERBATIM REPORT**

**FRIDAY, APRIL 26, 1974**

**SPEAKER: THE HONOURABLE JAMES M. RUSSELL**

The Committee resumed at 3:00 P.M.

Mr. Chairman in the Chair.

MR. CHAIRMAN: (STAGG): Order please!

Before commencing this afternoon's activities I would like to welcome to the galleries twenty-four Grade XI students from the Ralph Laite Pentecostal Collegiate Lewisporte, accompanied by their teachers, Mr. Burt Sheppard and his wife Mrs. Sheppard. On behalf of all honourable members I welcome you to the galleries this afternoon and trust that your visit here will be interesting and informative.

HON. J. C. CROSBIE: (MINISTER OF FINANCE): Mr. Chairman, before you start this afternoon's business I would just like to refer to something in connection with the estimates yesterday and to make an announcement, if there be no objection.

AN HON. MEMBER: It better be good, Sir.

MR. CROSBIE: Part of it is good and part of it is bad.

But first, Mr. Chairman, Mr. Roland Avery who is the President of the Newfoundland Liquor Corporation has resigned as President.

AN HON. MEMBER: That is bad. I am glad to hear that.

MR. CROSBIE: As of May 15, 1974, to return to private business. He came with the government on February 15, 1973. He was responsible for the setting up of the corporation and the organization of it. We had thought that he might stay two or three years but he now has a very good opportunity in a private business deal which he wants to accept. Therefore, he is leaving us May 15. The Board of Directors will be making a recommendation to the government as to whom they recommend as his successor. The government will have to consider that, I guess in the next week or so.

AN HON. MEMBER: What is his salary?

MR. CROSBIE: I cannot quite remember now. It is around \$23,000, I think.

One other point in connection with the Newfoundland Liquor Corporation, in connection with a matter brought up by the Member for Labrador North yesterday. It is a coincidence but just two or three days ago, the Corporation had now arranged that there are selected stores

from which spirits can be mailed. There are for mail order of spirits ot than the Head Office which is in St. John's. The Member for Labrador referred to that last night.

Those stores are Happy Valley, Port aux Basques, Grand Bank, Gander, Corner Brook and the Kenmount Road Store. As in the past, mail orders from customers in isolated areas will still be received by the Head Office. They will then be forwarded to the stores mentioned previously for filling and then forwarded to the customer concerned, from those stores.

So as of two or three days ago, for example in Labrador, any orders from Labrador will be served from Happy Valley - which is the point the honourable gentleman brought up - and from these other stores that I have mentioned, Port aux Basques, Grand Bank, Corner Brook and the Kenmount Road Store. So that matter is already looked after.

It was, Mr. Chairman, with great regret we got Mr. Avery's resignation because he has done a first-class job in setting up the Newfoundland Liquor Corporation and operating it for this period.

MR. CHAIRMAN (STAGG): The honourable Member for Labrador North.

MR. M. WOODWARD: Mr. Chairman, I would like to thank the minister for his prompt action as a result of my few remarks last evening. I am pleased to see that some changes have been made.

To get back to Rural Development, Shubhead 1601, on the minister's salary: I think it is general knowledge throughout the province and especially when you have travelled in the very remote areas of the province that people are, as we are and I suspect as the Member for Hermitage has said, very much afraid of the political overtones and the patronage that is being distributed and will continue to be distributed by the Department of Rural Development.

I do not feel that the Member for Hermitage was at all harsh to the minister. It is the responsibility of the opposition and especially at this time of estimates when money is being spent, public funds, to ask the minister to qualify or to give in detail the planning and policy as well as the expenditure of his department. I feel that the government are very sensitive towards the Rural Development Programme, That seemed so

this morning where everyone was jumping up in defence of the minister and maybe this is an indication and maybe prompted the Member for Hermitage to say that the minister maybe was not doing the job and perhaps he should be changed because everyone else seems to be protecting him, which gives an indication that they do not have confidence in the minister.

I am not saying personally that I do not have confidence in the minister. I say I do have confidence in the minister. But the indication of the House and the conduct of the members over the last couple of days, and indeed all during this session was that they were very sensitive when Rural Development was coming up, persons from the Premier's office and the Premier himself go from red to white when the name is mentioned.

AN HON. MEMBER: Inaudible.

MR. WOODWARD: This is a very weak sort of a thing. It gives me the impression that they are trying to protect someone or they are trying to protect something. I think this is the case. The Member for Green Bay this morning got up and repeated what he said in the Throne Speech Debate, exactly, almost word for word to help to defend the minister.

We are asking the minister now, it is the appropriate time and the time when we carry on the Democracy porcesses of government, for the minister to explain. He has now a very capable official sitting next to him. I am sure he knows in more detail more about that department than any backbencher or any minister who is sitting on that particular side of the committee.

So the indication is that we all have to go in and defend the big Minister of Rural Development. I am sure he is quite capable of defending himself. Maybe that is what led the Member for Hermitage to come out and say that the minister, maybe in lots of cases, has been overshadowed by the defence of the caucus,

from the government side of the House. I had the occasion to see the deputy minister in Labrador on a television programme, in an interview, doing a very good job in defense of the minister. The minister was not on television but the deputy minister was there. He was explaining the programme to the people in Labrador. He was telling them the worth-while programme that it is. He gave me the indication at that time that he was very eager to sell this programme. He gave me also the indication that he was defending the minister. He also gave me the indication that now they want to make away with any hearsay in this province or any feeling that this is a political patronage department of government.

Now, Mr. Chairman, in my view it is. I have to say this for this particular reason: I know it is a monumental job for any department of government and especially Rural Development to collect and consolidate the type of industry that exists in Rural Newfoundland and get some control. The department has been primarily concerned about providing jobs. I feel that they have not had the interests of the public treasury at heart. It was a rural development out to provide jobs for people, not giving any consideration to the type of industry and the type of enterprise that would develop or be derived from the expenditure of funds under the rural development.

This is what I say and this is what the member for Hermitage was getting across last night to the House and to the Committee - the fact that those jobs are created under a temporary system with no monetary control by government at all to find out how long they will last. On a number of occasions I have been told by persons throughout this province, "Let us go to Rural Development because they have money to give us."

Now, that particular person going to rural development is merely going for the sake that he wants money for a particular programme. It may be a programme that is going to last for the duration of about five to six months. I do not feel - I am sure the opposition on this side of the House feel the same - that rural development have shown that they are creating permanent jobs on the island of Newfoundland.

We have gone previously through the sawmill industry. How many people are producing today? We had some of the greatest developers, Sir, in the sawmill business in this province. How long did they last? We had a very, very high market for lumber last year. As soon as the markets get soft, what happens to the sawmill operators and the persons that have borrowed the money? They are going to go back to their fishing boats. They are going to get away from sawing the lumber.

This is why I would say that the department has not gone far enough to protect the investment that the government is putting into rural Newfoundland. If they are going to set people up, if they are going into a community to say, "Look, we have money to give you," then they in turn should be looking at some way to bring stability to that industry. I am not saying that they are going to bring stability, Mr. Chairman, to every particular individual industry they have set up but they have no professional researcher who is doing the jobs. They are just spending money.

This is why today that the public is saying and even the persons who have obtained loans under rural development -

AN HONOURABLE MEMBER: Inaudible.

MR. WOODWARD: I could probably take on the job if I had the time, Mr. Chairman, and I feel that I would do a better job and we would do more planning and see further ahead than the temporary type of solution that Rural Development has come up with.

Now, no doubt the department had to get started somewhere but there is no indication in this province today that the money that is coming from Rural Development that is going out to small industry in this province, is of any permanent nature. This is why I suspect that a number of applicants who have applied for those particular jobs are seeing this particular programme in the same light. They will not be very interested in paying back if there be a portion, as little as ten percent of this particular loan fund or grant - I would rather refer to it as a grant than a loan - it is in default. I cannot see where the government is going to have the strong arm to go in and force

that other ninety per cent to pay back the funds that they have borrowed under this particular programme.

We heard in the House last year of over the years where there are a number of business persons in the province who have borrowed government funds for a number of reasons and for a number of development purposes. The Minister of Finance came into the House in a roaring, bullish mood and named persons in this House and said, "They will be forced to pay back the money that they owe the government."

It is wrong. That is the case, Mr. Chairman. He said that they would be forced, he would enforce legislation on those persons. There were a number of persons throughout the province who were quaking in their shoes afraid of what the government was going to do.

On the other hand the same government in their planning develop a give-away programme with no monetary control or no controls whereby they want to or are concerned about collecting back the public funds. So, I think from my point of view and from my personal point of view and the opinions of a number of persons which were expressed this morning on the other side of the committee, that this is not a programme of any permanency. This is not a programme that our people are relying on.

If I go into the lumber business for a period of six months or eight months and I have no market to sell it in or no protection in the market so I can market my goods, then what is the alternative? If I owe the government \$10,000 and I cannot sell my lumber at an economic price and I can do better in the fishing boat or I can do better by working for Labrador Liner Board up in Labrador or the Iron Ore Company of Canada, then I am going to elect to go to the best area where I can make the most money.

So, I think this will be the downfall of the Rural Development Programme. I think that the programme other than providing jobs - the government's policy was the emphasis was put on providing jobs but providing jobs for a short period of time, Mr. Chairman, is not enough. This is the reason why the people in this province are looking at rural



development as political patronage.

Commenting on the remarks that were made by the honourable member for White Bay, after a defeated Tory candidate, Burt Meade in Hermitage was reinstated on the board, I do not think this in itself is trying to promote the image of that department or the minister or any of his officials in this province. Burt Meade, as we all know, conducted himself, after the election, in a most unusual bitter manner towards the Liberal populace in this province. He did not restrain himself to any degree. He came out very viciously and attacked the character of the member for Hermitage, publicly, to the public media, and then the government see fit to have him reinstated on a board of judgement that is going to make judgement on who gets loans in this province or not.

I question it. I question the minister's ability to have Mr. Meade reinstated on that particular board. Then again I think that if one have a political label on one, if any department in this province have, it is the Department of Rural Development. So, that may be a word of wisdom to

the honourable minister to see fit maybe to have Mr. Mead removed from the board so he can have some contentment in this province and maybe put the department in a better light as far as the public itself is concerned.

Mr. Chairman, another area is the fact that they do have a very, very good number of very good civil servants and very good field workers who have been given directions. It is a case of controlling rural development. Every member on the other side of the House feels that his district is entitled to some of the rural development funds. They themselves have looked at the political aspects of the thing and said that if we are going to provide jobs and to hold our political strength as a member in that particular district, I must get hold of the Minister of Rural Development so I can get some of his funds.

Mr. Chairman, I suggest that there is a good reason for the Member for Hermitage in saying that the civil servants should ride shotgun on the politicians as far as rural development is concerned and see that the public funds are spent wisely in this respect.

Mr. Chairman, it is not the opposition who are going to brand that department. Rural development are words that have spread throughout the whole of this province and not as much in my district as I would like to have seen them.

Then again, I think there was supposed to be a seminar up in the Cartwright Area last week sometime. They were going to collect their fieldworkers; they were going to select some people, industrious people from the different areas of Labrador, collect them all together and bring them in for a seminar in Cartwright. Because of the different strikes, the firemen's strike at the airports and so and so forth, I understand now that that particular seminar has been cancelled until the fall, October or sometime this year. I support that conference. I feel that we need more of these. I did not see the need, Mr. Chairman, (maybe it should take place next week) for the whole thing being cancelled and delayed for a period of six to

eight months. I think that the minister, when he is speaking again should maybe give us some clarification as to why the conference was cancelled and why that date should not be set for much earlier than October.

Mr. Chairman, another very important issue as far as rural development is concerned (I have been very concerned about this. I know that the minister has a board which he pays particular attention to, the number of civil servants) is what happens after the money - it is merely the big, big problem that I see, the lending institute and the people look at it not as rural development but a place to get money from.

Now the Hon. Member for Bonavista South in this House going back a couple of months ago came out and ridiculed the Newfoundland Canada Development Corporation. He said that it was not serving its purpose in this province.

AN HON. MEMBER: (Inaudible).

MR. WOODWARD: He should have been here before.

MR. DOODY: I tried, I was having lunch with the honourable gentleman's member in state, Mr. Jamieson.

MR. WOODWARD: Is that right?

MR. DOODY: There is nothing for Labrador.

MR. WOODWARD: I am glad that the honourable gentleman asked him to keep on his diet.

MR. DOODY: I told him to stay with it.

MR. WOODWARD: There is nothing for Labrador? This is very sad.

MR. DOODY: (Inaudible).

MR. WOODWARD: It will come back to haunt the honourable member over the years.

MR. DOODY: I am working on a subsidiary -

MR. WOODWARD: I will see to it personally that it will come back to haunt the honourable member over the years.

MR. DOODY: I am working on a subsidiary agreement.

MR. WOODWARD: I think, Mr. Chairman, that the day has gone in this province when money is dished out freely without setting some monetary controls on the fund and have it developed in the proper direction.

The philosophy of the Tory Party and the general philosophy of the public of this province is to go into rural development for the sake of getting money but not for the sake of developing rural Newfoundland. Until there are some responsible persons, which they have but no doubt they are going to need more - the number of visits that are made in rural Newfoundland are not sufficient as far as I am concerned. The frequency of visits is not enough. They have to get closer to the people. A visit twice a year or three times a year for development purposes is not quite enough. The department will have to increase their staff. Then again they are going to have to monitor and they are going to have to go a little bit further than that. If we are going to produce materials in this province, there has to be some type of a marketing facility whereby the persons who are developing can be helped or be assisted with marketing.

MR. DOODY: (Inaudible).

MR. WOODWARD: Does the honourable member want me to get the bag or the pages to get the bag?

Mr. Chairman, these are the areas of criticism that the Member for Hermitage brought out last night and again today with in the department. I feel that they are quite justified. I feel that the minister should and I hope will when he speaks again explain to this House and to the people of this province what rural development policy is there. I have a case in my own district and I am very annoyed by the lack of communications between the different departments of government. Their planning secretariate is not panning out too well.

AN HON. MEMBER: (Inaudible).

MR. WOODWARD: I have a case of one of my constituents who, after a long period of time, did have his application turned down for several

reasons, once and then twice. I interceded on his behalf and he was fortunate enough to get a grant of some \$8,000 from Rural Development to start a fishing lodge.

AN HON. MEMBER: (Inaudible).

MR. WOODWARD: Well it is a grant, Mr. Chairman.

If the Minister of Finance do not get control of the expenditure in that department, in his capable way, as he did with the loans outstanding to business people in this province, if he should not get control, it will eventually result in becoming grants.

MR. EVANS: (Inaudible).

MR. WOODWARD: Does the honourable member have the bag or will I get the bag, Mr. Chairman?

This particular applicant had a grant approved of some \$8,000 and everything was finalized and settled.

MR. DOODY: (Inaudible).

MR. WOODWARD: It was a grant, Mr. Chairman. The Hon. Minister of Industrial Development knows very well that it was a grant. I dealt in the same trickery that the Tory members on the other side have done. I have told my constituents that it is a grant.

AN HON. MEMBER: (Inaudible).

MR. WOODWARD: Do not be so stupid. It is a loan one has to repay. No one else in this province has any intention of paying back the rural development grant. We have a person gone off with half a tractor to Toronto.

AN HON. MEMBER: (Inaudible).

MR. WOODWARD: No! Why should we pay? We can come up, renew, get an additional \$4,000 and pay \$3,000 of the grant and borrow an additional installment of \$1,000 to pay back on the loan. This is the strategy that is going to be used. Mr. Chairman, is this rural development here or am I talking to the minister in the background and his officials?

MR. REID: Does the honourable member know the difference between a loan and a grant?

MR. WOODWARD: No, I never had a grant nor a loan. I do not know the difference. I have been told that they are grants, so I told my constituents that they are grants.

MR. REID: (Inaudible).

MR. WOODWARD: One is going to need a number of bags, Mr. Chairman.  
In this case here

is the fact that this particular person was given a grant of some \$8,000. He immediately set out to explore the possibility of obtaining land, a suitable site which he had been corresponding for over a long time period with the government, a suitable location to erect a fishing lodge. In that case, after the grant was made by Rural Development, Mr. Beanlands - it sounds like something good to eat, if you had a bit of stew with it.

AN HON. MEMBER: It is a Newfoundland name.

MR. WOODWARD: It is a Newfoundland name.

Mr. Beanlands writes him a letter and he says, "Despite the fact that Rural Development went out and gave you a grant to build a fishing lodge, there is no such way that we will do it. We have set a policy." The Minister of Tourism under the Wildlife Division has set up a policy, Sir, that we will not give further grants to anyone in Labrador to develop fishing lodges, fishing camps -

AN HON. MEMBER: Anywhere in Newfoundland.

MR. WOODWARD: In Labrador, he stated.

AN HON. MEMBER: Inaudible.

MR. WOODWARD: Until a policy -

AN HON. MEMBER: It is Federal government.

MR. WOODWARD: Mr. Chairman, would you please get me a bag so I can haul it over their heads, so I can be left in silence to say my few words.

MR. CHAIRMAN (DUNPHY): Order, please! I am sorry but the Chairman is not the party bagman, but the speaker should be accorded the courtesy that they accord the other side of the House.

MR. WOODWARD: I have a letter here that says, "I have to inform you that the application has been refused as the Director of Wildlife states that their division does not recommend the leasing of any fishing and hunting sites in Labrador until a policy has been developed." Well it is from K.J.S. Beanlands (with an "s"). So, Mr. Chairman, that particular person was left in a dilemma. He had the grant but another arm of the same government refused to give him the land. So this is one of the pitfalls of the department and one of the pitfalls of the government

because of the communications gap that exists between different departments of government.

As the Member for White Bay said this morning, "There is no consistency in the granting of grants."— Shall we call them grants or Shall we call them loans?

AN HON. MEMBER: Grant loans.

MR. WOODWARD: Grant loans.

The Premier goes to Halifax and says, "We only expect to get..." I do not know if the minister of Finance is aware of this, maybe he is not. The Premier going to Halifax and stating that we had hoped to recover maybe fifty per cent of the grant or the loan that Rural Development is putting out in the province. Then the government members have the audacity to get up and say, "You cannot brand this Rural Development Department as a political patronage department."

AN HON. MEMBER: We did not.

MR. WOODWARD: That is your opinion, Mr. Minister. But the opinions of thousands and thousands of people throughout this province is that it is a political patronage department of government.

AN HON. MEMBER: Hear! Hear!

MR. WOODWARD: So what happens? Is this a procedure that will carry on over a period or over an indefinite period of time or over the period of time that this administration are going to stay in power? Maybe the minister when he speaks again in this debate will tell the committee how much money then they are looking at over the period of the next five to -

AN HON. MEMBER: Three years.

MR. WOODWARD: Is it three years?

MR. ROWE, W.N. Three years left.

MR. WOODWARD: Three years to the wire. How much money has been spent to date? How much is out in loans to date? Considering the beginning of the department, from the commencement of the department until March of 1975 when the term of office will expire, March 1975, 1976, 1977 for the Tory Administration on the other side of the House.



So I do not think there is any wonder, Mr. Chairman, why the people - I wonder why they are so jittery about the Department of Rural Development? As soon as it is mentioned everyone is coming out in defence of the minister, as if the minister is not capable of defending himself. These are the exact words. This is the impression that my colleague the Member for Hermitage got last night, when he said that the minister should be changed. Maybe if they had the Minister of Finance in that department, we would not have all the backbenchers rushing in to his support, being fortified.

MR. REID: He said that before, he even said that before I had a chance to speak. He spoke for it.

MR. WOODWARD: No, he did not.

MR. REID: Yes, he did.

MR. WOODWARD: No, he did not!

MR. CHAIRMAN (DUNPHY): Order, please!

MR. WOODWARD: So, Mr. Chairman, although it created a number, and I will repeat this, Rural Development is a temporary department, a temporary political patronage department of government that set about deliberately to create a number of temporary jobs in this province.

MR. REID: It is a good thing he is in on it.

MR. WOODWARD: And the people - now the day of reckoning will come when the people discovered that the Hon. Minister of Finance is going to overrule the Rural Development Authority and say, "Get your money in!" That is going to be a sad day. That is going to be a day when all the credit that is on the books for the Tory Administration because of the Rural Development Authority is going to be wiped out.

I suggest, Mr. Chairman, if I may suggest to the committee and this House that there should be some protection not only to create jobs but there should be some protection set up so the people are maintained within those jobs. Unless the minister's department go about this province monitoring the loans, seeing how the enterprises that he has loaned money for are doing and looking at the survival of this industry and watch the marketing conditions that exist in this province as far as

the production of raw materials are concerned, particularly the lumber industry, watch that very closely, that the day will not be too far away when the money that we have put into rural development will render itself useless to the public. The public should be very concerned about this. So that is a word for the minister to take into consideration and maybe he can expound to some degree on this when he speaks on the estimates.

The whole problem with Rural Development and the image that the Department of Rural Development have created throughout this province is merely to create a few jobs, merely to create a few jobs but no permanency. They have not touched the fishing industry where the greatest number of our people are employed. They have gone about giving freely loans to people that they will not monitor and loans to people who are employing one, two or three other people in industry, and if that industry should not survive those people are going to have to look elsewhere for jobs in this province.

So these are the pitfalls. I will predict, Mr. Chairman, that within two years from now that if this administration are still in power then we will hear from the Minister of Finance. He will be on his feet as the protector of the public treasury and the Chairman of the Treasury Board, saying to Rural Development; "Get out and get your money." Sir, how can you get it if it is not there? The old saying in Newfoundland, "You cannot get blood from a turnip" - because there is no blood in a turnip, this will apply to the number of industries that Rural Development have assessed throughout this province primarily in the type of lumbering which is not new in this province, Mr. Chairman. Lumbering has been going on, hot-cold, hot-cold, for a number of years.

The government itself supported the Newfoundland Forestry Mill in Stephenville to the extent that there are some millions of dollars. Where is that industry today? What has happened to the big sawmill in Stephenville? Take a look at the history of the Canada Bay Lumber Company financed by one of the big business tycoons of this province. Take a look at the ups and downs and the fluctuations

in that situation.

AN HONOURABLE MEMBER: Inaudible.

MR. WOODWARD: Go and get the bag.

So, Mr. Speaker, this is indeed a serious situation whereby you bring the hopes of people to a particular stage and then all of a sudden you deflate the balloon and the whole thing disappears. So I would not want the Minister of Rural Development to leave an impression or an image of that kind in this Province. Indeed I would not. I would like to see the Rural Development Authority survive in this Province and do some good but bring some permanency and not to have it as a pure political waste and last for a temporary period of time.

MR. CHAIRMAN: The honourable member for St. Mary's.

MR. G. OTTENHEIMER: Mr. Chairman, -

AN HONOURABLE MEMBER: Inaudible.

MR. OTTENHEIMER: Thank you. No, I do not really need one. So far, I have been blessed by the good creator with a fairly adequate pair of lungs. True, it was actually my intention to speak during the estimates under the Department of Rural Development because with the Department of Education which last year took up seven or eight days and coming up I certainly would have sufficient opportunity to speak.

Of course during the absence or recuperation from illness of the honourable member for St. John's Centre and the Minister of Social Services, during his unavoidable absence for recuperation I have been asked to look after the estimates for that department.

However, after listening to the debate on the estimates of the Department of Rural Development yesterday and today I could not really restrain myself because I have never heard more confusing, ill-informed, undefined or undefined, contradictory and I would go as far as to say absurd criticism of government policy. Mr. Chairman, we still do not know whether the opposition is saying one of two things or presumably there are all kinds of possibilities in between but if you taken them at their extremes one of two things. Are they saying that the government's Rural Development Policy is not perfect or are they saying that

the very concept of rural development is wrong? That is what we are asking ourselves. Are they saying it is imperfect? If they say that I think we as a government would have to say, "It is not perfect." Very seldom does one come across perfection on either side of this House, in any government programme, in any administration, but we are not sure. They have not said, "We criticize it because it is not perfect," nor have they said although I think they have intimated, "We are against it because the whole concept is wrong." They have not said that.

It would be very ill-advised to say it but it is close to an inevitable conclusion that that is what they are not saying but insinuating. In other words, we still do not know and I would think, I do not know, I would imagine that the Minister of Rural Development would like to know whether the bulk of the criticism is one of two things. Either that the programme is not perfect - that would not be startling because there are so few programmes that are perfect in this Province or others, with this administration or any other administration, there are very few if any. Are they saying it is wrong? We do not know. We hope that they will clarify this.

We do not know really if they are criticizing the department of Rural Development or the concept of Rural Development because if we look back, and we have no where else to look - only prophets look in the future and they are few and far between - if we look back, and we do not have to look very far, if we look back two and a-half years ago, all we have to do is compare a rural development programme which is perhaps imperfect today with presumedly what preceded it. It was never called rural development. The name rural was never used. The name rural, presumably was an anathema. In that vocabulary what did we have? We have a Department of Community and Social Development. Fair enough! Names do not mean much, Names do not mean much. We had at the top echelon of it and I have nothing personal against these gentlemen. The couple of occasions on which I met them and spoke with them they seemed to be extremely intelligent, extremely well educated, no doubt extremely well intentioned gentlemen.

One was I think, I do know if he were a professor or a doctor or what he was. Van Es and professor or doctor Sametz. I met them on a couple of - only on two occasions did I meet them. On both occasions I found them extremely intelligent and extremely courteous, I have no doubt, extremely well-intentioned people. We look at the record between 1961 and 1971, what happened in what we call rural development, that was never called rural before. We find that between 1961 and 1971, 275 communities in Newfoundland annihilated, eradicated, off the map, not a soul living there today. A few weather-beaten, half-rotten remains of homes or wharves or stages or privies or whatever it is but not a living soul, 275 communities written off the face of this Province from 1961 to 1971. There is a record of rural development.

How many people? Because communities are only made up of people or were made up of people. Between 80,000 and 100,000 people shifted from these 275 communities, between 80,000 and 100,000 people. Close to twenty per cent of the population of Newfoundland shifted and what do we have left? 275 cemeteries, nothing left but remnants of houses, remnants of stages, remnants of gardens, remnants of outhouses, remnants of schools, of churches or whatever is left, because between 1961 and 1971 the record will show 275 communities eradicated.

So I ask you, Mr. Chairman, whether that was the preferable policy of rural development or whether what is being done now albeit imperfect, albeit far from solving the perennial problems of the Newfoundland community whether that is not significantly more important and more realistic? If one look at the history of Newfoundland, the whole reason the people came here was not, as honourable members know, to settle in a capital city like St. John's or to settle in an urban centre like Corner Brook or like Grand Falls or Labrador City or even Happy Valley, Goose Bay.

The reason people came here was because of essentially the fishery resources and after that I suppose the possibility of agriculture and the possibility of forestry and various reasons of religious persecution, etc.

The reason people came was because of the actual resources which were here, and the whole historical pattern of Newfoundland is based upon the rural community. That is the past. History is the past. It may or may not have validity for the future. The very fact that it is the past does not mean that it is relevant today. However if one were to look at the future one sees that throughout North America, and perhaps in Newfoundland in this instance we are one of the few exceptions, throughout the great industrialized metropolis of North America we see more and more people sick and tired of the huge metropolis, the life in the industrialized

communities. We see more and more people saying, not only to themselves but saying pretty loudly that perhaps there is a preferable value in a much smaller community, perhaps with less total dollars coming home every year but with a different slant toward the quality of life. So then one asks oneself whether the rural community of Newfoundland does not have a much different kind of significance than that to which we attributed in the conventional terms of data put out by the Dominion Bureau of Statistics.

So, Mr. Chairman, I would suggest and I would concede and I would presume that my colleague, the Minister of Rural Development, would quite readily concede that the programme and policy and accomplishment of his department are not perfect, that there are still many needs to be filled, that there are still many imperfections. We would concede that. But we certainly will not concede that the concept of rural development is wrong. We will not concede that. We concede that the concept of rural development is good, essential, absolutely necessary and a huge progression in the past year or year-and-a-half from what preceded it.

So, Mr. Chairman, I think it is incumbent upon the opposition to clarify whether they are opposed to rural development because it is imperfect and everybody would agree there or because the concept is wrong in itself. There this government, this administration, will not concede. We think it is right. We think it is necessary. We think it is an important step forward. We willingly concede that it is far from perfect.

Mr. Chairman, in terms of the personalities or people making up the Rural Development Authority, there are three of them who are non-elected persons - Mr. Archibald, Mr. Pratt and Mr. Meade. Nobody has criticized Mr. Archibald so I presume that he is generally accepted as realistic and sensible and an appropriate member. Fair enough, there is no need for me to say anything further. Mr. Pratt - the situation is somewhat ambiguous. I think essentially the criticism

of the opposition is this, that granted he is a fine fellow and he is an excellent painter; the doubt was raised whether he had the business acumen, whether he was a good businessman.

Mr. Chairman, I ask yourself whether being the outstanding businessman is the criterion we should be looking for necessarily? Is that the absolute essential for membership on the Rural Development Authority that he be a darn good businessman? If one were to apply only the criteria of economics and of finances and of good accounting, if one were to apply those criteria then I suppose we would say to the rural communities, "Move out. Go to St. John's or go to Corner Brook or go to Gander, go to Grand Falls, go to Toronto," if one were to apply exclusively the criteria of the good businessman - and this is a criticism of Mr. Pratt, that he is not the outstanding businessman which should be necessary. If one were to apply those criteria to the concept of rural development then there would not be a rural community left in Newfoundland because everybody would be asked to or suggested to or told to move out, move to St. John's, move to Corner Brook, move to Grand Falls, Labrador City, Wabush, Gander, perhaps Happy Valley, Goose Bay (There are not that many big centres of population.) or else go on to Toronto or somewhere on the Mainland.

If the criteria of what is conditionally conceived of as good business, profit, more bucks in the bank, if that were the criteria to be applied to Newfoundland then I would say that we would be left with maybe ten communities in this province, because economics, in its traditional sense, leaving out the quality aspect of life, economics and financial balance books in the traditional sense would suggest that the vast majority of communities in Newfoundland should be closed down and people paid to ship somewhere else. I would suggest, Sir, that that is not a meaningful criticism of that person's membership on the Rural Development Authority unless one takes an exclusively capitalistic, exclusively financial and monetary view toward the whole concept of development



in this province.

The third non-elected person on that authority is Bert Meade. His membership thereon was subject to much more intense criticism because to be fair to the opposition spokesman on the matter, there was no direct personal criticism of Mr. Pratt's membership, the matter came down to his being an excellent Newfoundlander, and excellent painter, a man of whom all the province can be proud, but he does not have any particularly impressive qualifications in business. That is fair enough.

Now I would suggest that having good qualifications in business is not that important when you come to rural development because you are not thinking exclusively in terms of economics or finance, you are thinking in terms of the kind of problems and the quality of life and if you wish a kind of act of faith. But to be perfectly fair to the opposition spokesman, it was not a personal kind of criticism, it was merely a distinction as being a fine Newfoundlander, an excellent painter, etc. but not a man with particular business acumen. You know, fair enough but as a difference of opinion my view is that having this kind of business acumen is not that important. That is fair enough. I want to be fair toward the honourable member for White Bay South in his criticism thereof. His criticism was on that basis only that it would appear that this person would not have much business acumen or that that would not be his strong point - which I suppose everybody would concede. The only point I am making in contradistinction thereof is that I do not think that business acumen is necessarily that important a qualification when you think of rural development because if you were to apply that in its logical application then you would rule out the whole concept of rural development in the first place.

There was of course a different kind of criticism for Mr. Meade. Now I have to confess I do not know Mr. Meade that well. I met him on two or three occasions. I spent about two-and-a-half or

three days in the area.

AN HON. MEMBER: Inaudible.

MR. OTTENHEIMER: Yes, that is right. Yes. I spent two-and-a-half or three days in that area during the by-election and I met him on a couple of occasions. I think that was the first time I met him. I met him a few times during those two or three days and I certainly do not know the man very well.

But the only three things really that I know about Mr. Meade, there are three things that I know about him really: (1), that he is a Newfoundlander. I do not hold that against him. (2), he is a teacher and I understand a well respected teacher. He is that. (3), he is a P.C. Of course that is obviously his privilege as it is equally the privilege of other people to be Liberal or anything else.

But I would not think that any of those three attributes, no doubt the man has many other as he has a certain height and a certain this and a certain that, they are the only ones that I readily know about. But I am not aware that any of those things would necessarily disqualify him. Certainly the fact that he is a Newfoundlander would not. You know Professor Van Es, and Dr. Sametz you know, and as I said at the very beginning, the few occasions I have had to meet with these people, fine intelligent, courteous and I think well-intentioned. I do not think that they understood or probably could understand the problems of rural Newfoundland. That would be I think to expect the impossible. Apart from that I think that they were certainly extremely well-intentioned. That would

be I think to expect the impossible. Apart from that, I think that they were both getting thirty odd thousand dollars. Fair enough if they were qualified. That is fair enough.

To the best of my knowledge the people of the Rural Development Authority receive no salary, no remuneration. There are the pocket expenses for coming to meetings which are covered but they are not in fact on salary. From the point of view of nationalities, certainly Mr. Meade holds his own from the knowledge that I have of him and it is not that much. He has been a teacher for a number of years and from what I understand, a well-respected teacher with the integrated school board in the area.

The third is that he is a Progressive Conservative. That is neither a qualification nor a disqualification. Being a Progressive Conservative does not entitle anybody to membership in the Rural Development Authority. I presume that it would not disqualify anybody. The honourable gentleman from Bonavista North seems to suggest the contrary. Certainly the fact of being a Progressive Conservative or being a Liberal or being something else should neither qualify nor disqualify anybody from this kind of a position, I would hardly think.

So, I would suggest, Sir, that the criticism of Mr. Meade's participation on the Rural Development Authority has not really hit upon any cogent points. Is he to be disqualified because he is a Newfoundlander? He is not a Dutchman, not a professor, not a doctor. He does not have Van or Von or Herr or Professor or this or that before his name. I would not think the opposition would disqualify him because he is a Newfoundlander.

He did not participate in that great Rural Development Move, from 1961 to 1971, to annihilate 275 communities. He did not participate in that, Sir. I would think that criticism or discussion of that in comparison with the present policy would perhaps be most revealing. He is not disqualified because of that, obviously.

I would hardly think that he is disqualified because he is a teacher, and to the best of my knowledge a highly respected teacher. Well, certainly honourable gentlemen are not going to suggest that he be disqualified because he is a Progressive Conservative or because he

is a Liberal. Nobody has disqualified the Chairman of the Board of Governors of the College of Fisheries because he is a Liberal. It happens to be Mr. Dawe. It was Mr. Dawe four years ago, Mr. Dawe three years ago, two years ago, one year ago. It is Mr. Dawe today. Nobody has disqualified him because he is a Liberal.

AN HONOURABLE MEMBER: Inaudible.

MR. OTTENHEIMER: No, Mr. What is his name - Curtis? Dawe? Fagan? Whatever his first name is.

AN HONOURABLE MEMBER: Don.

MR. OTTENHEIMER: Don. Right! Nobody disqualifies him because he is a Liberal.

AN HONOURABLE MEMBER: Inaudible.

MR. OTTENHEIMER: Well, I have heard rumors to the effect. Now, it could be that he is an ardent Tory. But nobody has disqualified Mr. Dawe because he is a Liberal. He happens to have been and to still be Chairman of the Board of Governors of the College of Fisheries which at least is as important a position as that of one of six members of the Rural Development Authority. Nobody in this administration has disqualified Mr. Dawe as Chairman of that board, a very important board, a very important institution in this province. Nobody has disqualified him because he was a Liberal. Why should Mr. Meade be disqualified because he is presumably a Progressive Conservative?

I would suggest that these criteria are somewhat irrelevant. If one can prove that Mr. Dawe or Mr. Meade are incompetent, disinterested or dishonest in the performance of their duties, then fair enough let either or both be dismissed. Nobody has suggested to me that Mr. Dawe or Mr. Meade are dishonest or incompetent in the performance of their duties. This administration, which is a Progressive Conservative Administration, has not changed the Chairmanship of the Board of Governors of the College of Fisheries because Mr. Dawe happens to be a Liberal.

MR. NEARY: Did Mr. Dawe run for the Liberal Party? Did he run for office?

MR. OTTENHEIMER: I am not sure. I think he was a bit associated with the Liberal Party. Did I hear that he was sort of suspected to have been

a Liberal. Curtis, Dawe, Fagan, this one, that one and the other one, and the other one and the tother one - I believe it is generally conceded that their sympathies were just a little bit toward the Liberal Party but that is the man's privilege. My God, that is his right! The two-and-a-half years that this administration has been in power we have not penalized him because of it because nobody has come - nobody suggested - and put any kind of reasonable proof - that the man is incompetent or dishonest or abusing his position. They have never come with that. They have never satisfied me as the minister responsible or this government with any of that, and Mr. Dawe's position now is the same as it was two-and-a-half years ago.

I suggest to the honourable gentlemen opposite that before they start smearing Mr. Meade's membership in the Rural Development Authority that they come to the minister responsible, or this government through the minister responsible or whoever they wish, with any kind of reasonable indication that the man is incompetent, dishonest or abuses his position, because we have taken that position with people in positions of responsibility who were appointed there by the previous administration and whom we have not altered or budged.

We suggest that honourable gentlemen opposite do the same thing. If they have a reason for the dismissal of any member of any authority or of any committee, that they go to the minister responsible with some kind of reasonable proof that the man is incompetent, dishonest or abusing his position. Unless or until they do that, then I suggest that is a totally wrong kind of attack because if we were to follow that kind of a policy, we would fire every Liberal who was in any position that the Lieutenant Governor-in-Council appoints and appoint them with Progressive Conservatives. We have not done that.

I would suggest to dismiss any Progressive Conservative as well just because of the fact that he happens to be known as a Progressive Conservative would be equally wrong. I think that all of these matters have to be judged by the individual's own performance and

that persons are given the benefit of the doubt until and unless there is any data presented giving reasonable evidence which will be reasonably interpreted to indicate that the man is incompetent, dishonest, abusing his position or any other serious kind of charge.

So, that I suggest is the attitude we should take towards Mr. Meade's continued participation on the Rural Development Authority because that, in fact, Mr. Chairman, is a position that this government has taken towards - I apologize to Mr. Dawe because his was the first name that came to mind and there are many others. I do not do it with any intention of zeroing in on a kind of public debate upon Mr. Dawe. Mr. Dawe, Chairman of the Board of Governors of the College of Fisheries, Navigation, Marine Technology, etc. - Sure people have suggested, "Oh, we should get rid of him. Guaranteed. He was put there by the former administration." Sure, there were all kinds of suggestions of that but our position has been, "No, he is there. He has a term to serve. We do not really care who put him there. If he is doing his job, that is fine. If anybody has any kind of suggestion that he is doing it improperly fine, let us know but unless and until, the mere fact that he was appointed by the Liberals or the mere fact that he is perhaps well-known to be a Liberal is as far as we are concerned immaterial." I think that is the kind of attitude that should permeate membership on various boards.

MR. REID: Mr. Chairman, I would like to say a few words of comment in connection with the member from Labrador North on a few statements he made.

He spoke about it in various jobs, creating certain jobs. He figured they are going to be very temporary. There is one thing that I would certainly hope and I feel we are looking further ahead than that, just temporary jobs, we are trying to make quite sure that they are going to be very permanent jobs. I hope the jobs certainly last a tremendous lot longer than some of the jobs that I know cost more than what Rural Development spent this year here in Newfoundland.

I hope they will last a lot longer than some of the previous industries that were started here. Who benefited by it? Not Newfoundlanders. Today Rural Development dollars are going out to the little communities, out around the little islands, the little coves and our department are going out working. I have been with the department, even though you people are trying to say that I spent so much time with my business that I have not got time for Rural Development.

I can say right here now, very few hours this last twelve months since I became Minister of Rural Development that I spent in my business. I have spent my time going out with the fieldmen, with the deputy minister, assistant deputy minister and various other people, calling meetings in various places, trying to encourage various industries, trying to encourage the various things that were never helped before and never had a chance to get help.

There is nobody doing any more damage to Rural Development than the people over there. I will not say everyone is doing it, I will assure the members over there are very, very scared that this is going to be a success. This is going to be a success. Our staff and we have the men who are going to make sure, we are not looking forward to today, tomorrow, we are looking forward for years to come.

We are setting up development associations all over Newfoundland and Labrador. We have been in contact with various associations. We are working with them. We have met with our fieldmen and backtracking our loans they just spoke about just now. The loans, we are going back over our loans. We have put out loans and we will probably never get

a dollar. We realize that. Finance companies put them out, they never get a dollar back. Banks put out dollars and certain people never pay their loans. We expect that. We are going to find some people getting into some unfortunate circumstances.

They talked about the lumber just now. The Member for Labrador just spoke about the lumber business. Two years ago, seventy-five or eighty per cent of the lumber we were bringing it in from the Mainland, into Newfoundland. That has completely reversed itself at the present time, reversed; seventy-five per cent of it now is local timber. Working with Rural Development and Forestry we are going to do our utmost to try and save the forestry.

What the opposition are not too much in favour of is helping the average small little business. It is a great thing to bring in a large industry in here to Newfoundland, employ 500, 600 or 700 people, cost us hundreds of millions of dollars and that is the end of it. Today Rural Development is helping persons who certainly never had a chance in their life before and it is not because they were not capable. The point was they never had sufficient dollars to be able to expand.

We have helped a lot of different little plants, not only sawmills, different types of plants and canneries, carpenter shops and various things. Our people now are going out to the various communities and trying to encourage industries out there which we feel are going to be very viable in their communities. We are working very closely through the Development Associations. We are going to work closely with them and they are going to come up with various ideas that we hope to develop and work with their ideas if we see that they are going to be a viable thing in their communities.

The Member for Labrador North spoke about the trip, that the Rural Development were suppose to go in to Labrador. It was cancelled because of the air strike. Then he says, some time, next summer or next August, he does not know - he never asked anyone for sure. We were disappointed; we were set up to go. On May 13, we are still going to Cartwright, on the 20th. of May we are going into Hopedale. Our department are going in there, several officials from the department



and I hope, if I can get out of this place, that I will be able to go in their as well.

I do not think that the back benchers, the members of the House of Assembly that were speaking here today, I do not think they were standing up to defend me. I think that I can stand on my feet most any time when I am under certain pressures. These people honestly felt that they were doing what they should do because I am sure in the district that rural development helped in Newfoundland, that is what they are speaking on, what the benefits are that the people there derived in rural Newfoundland.

MR. M. MARTIN: Mr. Chairman, my opinion on this subhead, I can only reiterate I think what I said last year, that my criticism is not against the Rural Development policy per se. But as I have told the minister and officials of his department, I do not think the concept is broad enough. I do not think it goes far enough.

Now I would like to preface my few remarks by saying that if the minister think that my criticisms are unfair then I would ask him to take a look at his department's involvement in my district. Having scrutinized it, I think he can only say that it has been a miserable failure. I realize that there have been a great number of problems, classic problems that they have had to deal with down through the centuries, problems of communication, the problems of finding the right people and this kind of thing.

Nevertheless, we still have not been able to take advantage of the Rural Development policies that are standing in this department right now. I believe the reason for it is, as I have said, the concept, the philosophy, the developmental philosophy under which they are working is not broad enough. It is not enough simply to create a lending institution and hope that that by itself will take care of the problems in rural areas.

I think what we must do is to go out to create a departmental staff that is capable of going out into the rural areas, identifying the needs, identifying the potentials as well as the needs, to take hold of the problem from that angle. I think the funding system is excellent.

There may be a few administrative problems connected with that particular programme but by and large I have no argument with the funding system itself but it does not go far enough.

I think in addition to making funds available the department must also make available for people who are participating in departmental programmes, training and administration, training and accounting, managerial skills, production techniques, marketing techniques and all of the rest of it. This requires large-scale involvement in many specialized fields such as administrative accounting, managerial, etc.

The questions that I would put to the minister are these: Is his department merely going to continue on being a funding institution or are there any plans now to get involved in the new fields of development which I have mentioned; identifying the problems, identifying the needs, identifying the potentials? Is the department going to create better liaison between other departments of government, which now are also involved in resource development, to co-ordinate all of the various departmental programmes? Is there a liaison system for instance between government agencies and agencies in the private sector which would lend themselves to greater co-operation there? This is the kind of thing that bothers me.

Certainly in my district, this department is not working. I think if the minister took a look at it he could only agree with me that it is not working. I believe it could be made to work if these other programmes were implemented.

MR. NEARY: Mr. Chairman, let not anybody in this committee get carried away with the fact that the Rural Development Department is the answer to Newfoundland's prayers or is the answer to Newfoundland's problems because it is not, Sir. Listening to the minister, and the Minister of Education has just taken his seat there, one would swear Mr. Chairman, that this so-called Rural Development Authority and the Department of Rural Development were going to cure all the problems in rural Newfoundland. We heard the Minister of Education rehash the resettlement programme and go back over some of the past records of the previous Liberal Administration. The minister who just took his seat, we heard him make references to the failures of certain industries in Newfoundland. He said that Newfoundlanders were not the benefactors of these industries.

Mr. Chairman, you can rehash the past all you like and you can talk about rural development and rural development authorities all you like but when you get down to brass tacks, there is really no significant

improvement in rural Newfoundland today, Sir, as compared to five or ten years ago. There are really no big changes. The only changes that I see, Sir, are in the rural parts of Newfoundland where we have fish plants that were established under the former Liberal Administration. The fish plants are booming only because the price of fish is up, but the volume of fish is down.

Sir, can any member of this House point his finger to one significant project that has created employment in the rural parts of Newfoundland apart from what has already been established, Sir?

AN HON. MEMBER: (Inaudible).

MR. NEARY: Sure, last night, Mr. Chairman, I talked about a few greenhouses on Bell Island and a salt fish plant that has the potential of developing into a small industry. It will never amount to anything worthwhile, Sir. It will never take care of the unemployment problem on Bell Island. I might say, Sir, before I forget it that it is obvious that members of this honourable House of Assembly, especially on the government benches, Sir, completely misunderstood and misinterpreted the bouquets that I directed towards the Minister of Rural Development last night.

MR. CROSBIE: The honourable gentleman has been under pressure.

MR. NEARY: I am not under any pressure, Sir.

MR. CROSBIE: Party discipline.

MR. NEARY: It was merely a personal thing, Sir.

MR. CROSBIE: (Inaudible).

MR. NEARY: I have been ground down, Sir, ground down.

MR. CROSBIE: The Party Whip is whipping.

MR. NEARY: The whip is being snapped. Here I am trembling, shivering and shaking in my shoes.

Sir, I completely agree with every word that my colleague, the Member for Hermitage, uttered last night. Our hearts, Sir, beat as one, complete unison.

MR. CROSBIE: Tongues wagging.

MR. NEARY: Our tongues - old Scrooge is back in his seat again today, Sir.

Mr. Chairman, there was absolutely no disagreement. Members on the government benches have tried to drive a wedge between my colleague, the Member for Hermitage, and myself, the same as they tried to do between the Leader of the Opposition and myself, when they make references to the Leadership Convention that is coming up in October, but it will not work, Sir. The Member for Hermitage is a very mature individual,

AN HON. MEMBER: (Inaudible).

MR. NEARY: Was was that?

AN HON. MEMBER: (Inaudible).

MR. NEARY: The Member for Hermitage, Sir, has been dispatched to Musgrave Harbour on a special assignment for the party. We heard that there was one Tory down there so we dispatched the member down to see if he could convert him, silence him.

Our hearts beat as one, Sir. There was no disagreement whatsoever. I hope that will set the minds of the government members at ease forever and a day. My bouquets towards the Minister of Rural Development were purely personal, Sir. In the interests of my constituents, I think the honourable minister is a nice fellow. Sir, I hope that the minister does not get carried away with the fact that he has the answer to the unemployment problems in Newfoundland and the problems of rural Newfoundland because he has not, Sir. He has not.

MR. REID: I would have the answer if I had the money.

MR. NEARY: No, Mr. Chairman, he still would not have the answer if he had the money.

I do not want to go into my usual speech, Sir, about my philosophy on rural development. Members on the government benches,

including the Member for St. John's South and the Minister of Finance, accused me one time in this honourable House of being a socialist because I expounded a number of ideas of what I thought the government should be doing to cope with unemployment, the high unemployment in the province.

AN HON. MEMBER: That is better than being a Tory.

MR. NEARY: Mr. Chairman, in this technological age, it is virtually impossible, virtually impossible for the minister - not because it is that particular minister - it is virtually impossible for that minister or any other minister, Sir, to fight against the tide of technological change. One cannot do it.

Mr. Chairman, you can go out in the rural areas of Newfoundland and you could find little things for people to do to keep them away from the television sets; you can turn them into doers instead of viewers; you can get them out doing a little home gardening, doing a little weaving, maybe a little boat building, maybe making artificial flowers; doing all sorts of little things. Mr. Chairman, I hope and I pray that the unemployed in the families of the unemployed in this province do not have to depend upon that sort of thing for a living. Most of these industries that the minister is referring to have no chance whatsoever of survival. If they should Mr. Chairman, you would not be able to stop the Minister of Finance's brother from getting out in the rural areas. I do not know but the Minister of Finance himself would resign his job and say I am going out in the rural areas, there is gold out there in them there hills, there is money to be made. Look at all the industries we can create. Why did they not do it? The minister is a pretty shrewd businessman. Why is he not out? I do not know but maybe they are in the lumber business. They are into everything else in this province. Why is not the minister out?

MR. YOUNG: (Inaudible).

MR. NEARY: Take it easy there my undertaker friend. "You are digging 'em Dillon.

Sir, if there were such a bonanza in the rural areas of this province, one would not be able to hold the likes of the Crosbies back if there were a dollar to be made, Sir. There is no dollar to be made, Mr. Chairman. There is no dollar to be made and we may as well admit that all we are trying to do is to create some activity for people. We are more or less doing the same thing that

the Government of Canada has been doing for the last couple of years with opportunity for youth and the LIP projects. These are job creation projects. That is about all they are, Sir, job creations of a temporary nature. There is no last to them. They are not permanent. They will not create permanent employment. There is no way they can.

When we are talking about business and industry today, Mr. Chairman, we are talking about machines, not human hands. Nevertheless I agree, Sir, that every attempt, every attempt should be made by government to try to steer people away from idleness, steer people away from having too much leisure time on their hands. The only way we can do this is not through this so-called rural development, Rural Development Authorities. That might help - it might help. What we have to do in this Province, Mr. Chairman, as well as in the other provinces of Canada and the states down in the United States, is get involved in what I call economic development, not even industrial development as my good friend talks so much about, the Minister of Industrial Development; economic development involving everything even building a tunnel across the Straits of Bell Isle.

We have to make work, Sir. It is the duty and responsibility of government to make work and we are not going to make work by having people coming into the Minister of Rural Development and borrowing \$10,000 and going off with no guidance nor counselling nor anything else, just going off trying to set up an industry, no business background. Nine out of ten will fail. They are doomed. They are doomed for failure, Sir, the moment the application is made.

So therefore I would not boast too much about this kind of a programme. It is necessary. It is a necessary evil. I agree. I would not if I were the government put all of my eggs in one basket. I would like to see a lot more greenhouses around this Province. I would like to see a lot more sawmills but these little industries, as important as they are, Sir, are not the answer to Newfoundland's problem. Economic development is the answer. When I talk about economic development I am



talking about developing water and sewerage, building bridges, building causeways, building tunnels, building recreation facilities, public buildings, bringing in industry, industrial development.

Why, Mr. Chairman, since this crowd came to office they have put all of their emphasis on rural development. They think it is popular. They think politically it is the thing to do in Newfoundland. They are saying, "Oh! you fellows over there neglected the rural areas of Newfoundland."

Do you want me to show you, Mr. Chairman, how much we neglected the rural areas of Newfoundland? Your Honour lives in a rural area. Did the former administration neglect Stephenville when the Americans pulled out? Did we? I think we built a linerboard mill out there. That crowd, Sir, that crowd were trigger-happy when they formed the government and the Minister of Finance was such a skinful of hate that he wanted to get Mr. Doyle out of the Province, so the government took it over. That was their number one mistake they made. That has been costing the taxpayers of this Province a substantial amount of money ever since.

What about the brewery in Stephenville in Your Honour's district? Is that an industry in a rural area? What about all of the other industries out in the Stephenville area, Stephenville, Port au Port area? What about down in Marystown represented by the member for Placentia West? Who built the shipyards in Marystown? Mr. Chairman, who built it?

AN HONOURABLE MEMBER: Who made them pay?

MR. NEARY: Ah! Who made them pay. It was easy. We had laid the foundation. Even my six year twins could have made it pay after that. Who put it there? Who was just up criticizing the previous administration for not developing rural Newfoundland? Who built one of the most modern fish plant in Canada, Atlantic Processing down in Marystown, who built it?

AN HONOURABLE MEMBER: It is still not payed for.

MR. NEARY: It is still not payed for. So what? How many men are working there? How much are they earning a year? They are earning anywhere from \$10,000, \$12,000, \$15,000 a year for their families. Is that not rural Newfoundland, Mr. Chairman? Is it rural Newfoundland? It used to be. Why the first time I ever went down there I went camping. I never saw an area as rural in my life as that was. Look at it today. It is almost a metropolis.

The Minister of Finance, no, I do not know about the Minister of Finance if his brother rushed in there or not to put up a shopping centre. What about Grand Bank? Who assisted to put the fish plant in Fortune, in Grand Bank - two fish plants?

AN HONOURABLE MEMBER: Alec Hickman.

MR. NEARY: Alec Hickman. Who came to their rescue when they were going bottom up, they were facing bankruptcy?

AN HONOURABLE MEMBER: Steve Neary.

MR. NEARY: No, I did not, Sir. I was not even in the government at the time. I wish I were because I would have done the same thing.

AN HONOURABLE MEMBER: What happened when the honourable member was in the government? The honourable member was not in the government when that happened. -

MR. NEARY: Mr. Chairman, what about the fish plant in Harbour Breton? What about the fish plant in Harbour Breton? Is Harbour Breton, would Your Honour consider that as a rural community? I would. Only in the last couple of years they were taken out of isolation down there. Is that a rural community? What about all of the other fish plants around Newfoundland? Who started them up or who kept them going? What about the one down in Trepassey? Is Trepassey a rural area, Mr. Chairman, or is it an urban centre? Who put the fish plant over in Burgeo, helped Spencer Lake put that fish plant over there and keep it going?

AN HONOURABLE MEMBER: We did.

MR. NEARY: The honourable gentlemen did.

AN HONOURABLE MEMBER: We did, yes.

MR. NEARY: The honourable gentlemen were still going around distributing their posters, my son, when that was put over there with the \$300.00 that the honourable gentleman talked about the other day that the honourable gentleman got to run his campaign.

MR. EVANS: Sure. -

MR. NEARY: Who developed Wabush and Labrador City? Who developed that? Did that just drop out of the sky? Would the honourable gentlemen consider that to be an urban centre? Rural? What about the Upper Churchill, Mr. Chairman?

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: I beg your pardon?

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: It was developed, Sir, through the initiative of the former Liberal Administration.

MR. MOORES: Inaudible.

MR. NEARY: No, Sir, it was not and the honourable Premier knows the difference of that.

MR. MOORES: No, I do not.

MR. NEARY: I do.

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: Ah! Come on. Look, let us face it, Mr. Chairman, let us face the facts and not try to be hypocritical in this honourable House. Labrador City and Wabush would not be there today but for John C. Doyle and Joey Smallwood.

AN HONOURABLE MEMBER: What nonsense:

MR. NEARY: What nonsense; but it is true. It may hurt but it is true and that other mining development will not take place in Labrador.

AN HONOURABLE MEMBER: Fifty cents a ton.

MR. NEARY: I do not care what it is a ton but what would he have done? I know what happened, over there, Sir, when I talk the Premier screws up

his nose, screws up his nose when I talk about the development of Wabush and the Iron Ore Company of Canada and Labrador City. What happened over in Harbour Grace?

AN HONOURABLE MEMBER: It is a totally different thing.

MR. NEARY: What happened over in Harbour Grace? A totally different thing, my foot. Who developed the Upper Churchill?

AN HONOURABLE MEMBER: That is urban development. We are talking about rural development.

MR. CHAIRMAN (Stagg): Order, please! While the honourable member is permitted to draw comparisons to some extent, certainly the topic under discussion, 1601-01, Rural Development has not blended itself into the wide-ranging discussion that the honourable member has launched himself on. I suggest that the honourable member might get back to the department under discussion.

MR. DOODY: Mr. Chairman, would it be in order to discuss the battery plant and all the other great rural developments?

MR. NEARY: No, Mr. Chairman, but I could give the honourable minister a great lecture on the oil refinery in Come By Chance, if the minister would be interested. All of the honourable members

talk about the steel mill, Sir, only this morning again I heard on radio where now they are talking about building a steel mill down in Come By Chance. The second time I have heard it.

AN HON. MEMBER: That is right.

MR. NEARY: They closed down the one down here at the Octagon. Now they are going to support a move to get a steel mill at Come By Chance. The point I am trying to make here, Mr. Chairman, is this, that this administration since they took office, Sir, have put all their eggs in one basket. They have concentrated all their efforts on this so-called rural development. They think that this is the saviour of Newfoundland and they think that this is politically popular. Every chance they get they try to revive the image that all rural development was before they took office was a house being pulled across a bay on a barge, resettlement. The Minister of Education made that point.

No doubt about it. Mr. Chairman, there is no doubt about it that before this honourable crowd came to office they did manage to succeed by squirting their poison around Newfoundland, that all we wanted to do, the former Liberal Administration, was to resettle all the outports, have a complete transplant. You know, Mr. Chairman, you talk about political dishonesty! Nothing, Sir, is further from the truth - nothing. Every honourable member on that side of the House knows that the principle involved in resettlement, Sir, was - what was it? 100 percent? Fifty percent?

MR. WM. ROWE: Inaudible.

MR. NEARY: That a majority had to decide that they wanted to relocate and they took the initiative and came to the government. The government did not go to them.

MR. DOODY: Not a majority, no.

MR. NEARY: Oh yes, Mr. Chairman.

MR. DOODY: Look the honourable member who had the portfolio said there was not a majority it was just a substantial number. Is he going to contradict his leader?

MR. BARRY: - but they were not getting any more services.

MR. NEARY: This is propoganda, Sir.

MR. DOODY: This is no propoganda, the gentleman over there for White Bay South said it.

MR. CHAIRMAN: Order please!

MR. DOODY: I am sorry, Mr. Chairman. I got carried away.

MR. NEARY: Mr. Chairman, it was just not so and the honourable members know that but they have let that lie stand.

MR. WM. ROWE: They have still got resettlement programmes.

MR. NEARY: There is still a resettlement programme. As a matter of fact they expanded the resettlement programme and now individuals wanting to move to various parts of Newfoundland to go to receiving areas can make an application. The principle -

MR. WM. ROWE: Inaudible.

MR. NEARY: That is right. The principle of resettlement, Mr. Chairman, was a very sound principle indeed. It was. No doubt about it, a good many Newfoundlanders are living much more comfortable today -

MR. DOODY: What did he say when they decided to resettle Bell Island?

MR. NEARY: Now that is a horse of a different colour, a horse of a different colour.

MR. DOODY: He would not go along with Bell Island.

MR. NEARY: Mr. Chairman, there is exactly the point. The minister is asking what did I say when they tried to resettle Bell Island? Nobody tried to resettle anybody anywhere in Newfoundland except Bell Island? This honourable crowd that was commissioned by the minister's administration were trying to force people out of Bell Island. That is the difference. That is the difference.

MR. DOODY: Now it is all coming out.

MR. NEARY: Now it is all coming out, Sir.

MR. DOODY: Inaudible.

MR. NEARY: That is right. But prior to this the individuals and the community had to take the initiative and come to the government and

say, "Look, we want to move. We want to resettle." But I am not going to spend my time in this debate, Sir, defending the resettlement programme. Go down to Harbour Breton and ask the people who resettled down there what they think of it. Go over in Arnold's Cove.

AN HON. MEMBER: Inaudible.

MR. NEARY: A community that was never meant to be.

MR. WOODWARD: On a point of order, The member deserves the right to be heard in silence and the honourable Minister of Industrial Development must be asked to confine his remarks to when he is speaking and not when he is sitting.

MR. BARRY: To that point of order, Mr. Chairman, surely the honourable member for Bell Island is capable of looking after himself in this honourable House and I think it is beneath the dignity and stature which the honourable member, the potential candidate for the Liberal Leadership has acquired, it is beneath the stature he has acquired since going for the leadership to have him being treated as if he were a lap dog, Mr. Speaker. I suggest that the honourable member for Labrador North permit the honourable member for Bell Island to continue his speech and to look after himself. He is well equipped to handle these rules and points of order and so on.

MR. NEARY: Are you going to rule Your Honour?

MR. CHAIRMAN (MR. STAGG): There is a rule about needless repetition in the new rules and I suggest that the needless repetition is that of the Chairman to remind honourable members that the person speaking has the right to be heard in silence. I would think that that has been repeated by the Chairman and the Speaker innumerable times and honourable members know it and continue to abuse it. Maybe it being fresh in honourable members minds it **may be observed.**

MR. NEARY: So, Your Honour, I am not going to rehash the resettlement programme again but I do want to say this, that in my opinion there were a number of weaknesses in the resettlement programme. It was

not perfect. It is just like the Minister of Education said about the Rural Development Authority, **it is not perfect.** The resettlement programme was not perfect. There were weaknesses in it but I think the greatest weakness, Mr. Chairman, was this - now I do not care, Sir, who you are in this world, I do not care who you are, if you live in a community for twenty-five, thirty, forty or fifty years and your family lived in that community before you and their family before them lived there, Sir, I do not care whether you are forced out of that community or whether you decide to leave that community voluntarily, there is bound to be an emotional impact on the man and his wife and his family. There is bound to be.

Mr. Chairman, even though you may have come to government and said, "Look, Mr. Government, I want to move to Arnold's Cove," and you move there without any coercion, without any curtailment of services or anything else, and you move there; there is bound to be an emotional upset following that move. There has to be, Sir, and you will have a tendency, if you are human at all, to blame it on the people that are closest to you, the government, especially if this propoganda is being pumped out all the time, that resettlement is a bad thing and all you can see is a barge going across the harbour with a house on it, being towed across by a motor boat.

But that does not make it wrong, Mr. Chairman. This could happen today if I had to leave Newfoundland and go up to Toronto with my family. Would I not miss Newfoundland, Sir? Would I not long and yearn to come back to Newfoundland? Go up and ask any Newfoundlander in Ontario, if he had a job he would be home tomorrow. Do not these people over in Arnold's Cove and people who came in from Merasheen Island and went down to Placentia and Freshwater and Dunville and the people in Harbour Breton? Talk to them, Mr. Chairman, and see what they would say. They would say, "I would go back to Woody Island or Merasheen Island on a meal a day."

AN HON. MEMBER: They are dying of broken hearts.



MR. NEARY: They are dying of broken hearts. That is the truest statement that the honourable member ever made. But, Sir, this is perfectly normal and natural. After all they are human beings and it will take a whole generation or two before they get over that, but that does not make resettlement a bad thing. Their families are better.

AN HON. MEMBER: Why does not he go back to Bell Island?

MR. NEARY: My God I go back to Bell Island every chance I get. Believe it or not, I long and yearn for Bell Island. Life is different on Bell Island than it is for instance here on the mainland. The fact that you live on an island may have some bearing on that. When I want to make my escape from the Minister of

Finance and the other magnates of this province. When I want to get away from the wheeling and dealing, I go over to Lance Cove or go over to Beckfordville and do a little farming and try to forget about the Minister of Finance.

MR. CROSBIE: Inaudible.

MR. NEARY: That is really wit, Sir, at its finest. The minister should be on stage over at the Arts and Culture Center.

So, Sir, I am no different than anybody else or any other Newfoundlander. We are like Greeks, we like to die on our own soil. Why should we not? We should be proud of it. I tell you, Sir, the member for St. John's South probably raised the most important point, the most important weakness in resettlement, in my opinion. The member has a resolution before the House that I can tell Your Honour I am going to support because I have advocated it for years, that the second weakness in the resettlement programme, Sir, was the fact that people were not compensated enough for making their move. When they moved, they should have moved for nothing less than a home for a home instead of becoming involved in mortgages and rents and taxes that they were unable to meet, and being forced to buy shacks.

AN HONOURABLE MEMBER: Legal fees.

MR. NEARY: High legal fees, Sir. I certainly did raise it because I raised it before the honourable member ever got elected to this House. I believe that when you expropriate property or you encourage people to resettle, that you should give them a home for a home. A lot of these people were middle aged with large families. When they ran up against all these problems, getting their meter hooked on, getting water and sewer hooked onto their new home, municipal taxes, school taxes, things that they had not been faced with before, they became depressed. I do not blame them.

This was one of the great weaknesses of the resettlement programme. People were not compensated enough for their property. I agree with a certain gentleman that I have a great respect for who visits this House regularly, sits in the public gallery and listens to the debates. Sometimes he agrees with me and sometimes he does not

but I certainly agree with him on that. They were not compensated enough. I do not know if we can reopen these agreements and compensate some of these people retroactively. I tell you this, it would be one of the finest gestures that any government could do in this province. Say to these people who were resettled, "We made a mistake."

I would fight for it if I ever became part of an administration in the future. Including what?

MR. EVANS: Inaudible.

MR. NEARY: I would wipe out their mortgage. What is the "Burgeo Burp" talking about now?

I do not know if it can be done, Mr. Chairman, but if it could, it should be done. If the Minister of Finance went around the province ranting and raving in two elections about reopening all the agreements, could the minister reopen these agreements? Would the people who were moved under the resettlement programme - the minister was the champion of their cause two years ago. Why not take a look at it? It may be a big, man-sized job, Sir. Maybe it is but I tell you it would be something worth while. I think it would probably make a lot of Newfoundlanders happy, make them feel that they are wanted. They are strangers now in some of these communities.

It would be a great thing, Sir. I do not know if it be possible to do it. I do not even know if it be feasible. I throw it out as a suggestion to the administration. If they are so interested, Sir, in killing the ills of resettlement that they say were created by the former administration, why not do something constructive and positive about it? Why not open up all these individual agreements and compensate the people to the value of their property. If they owe money on a home, if they owned a home where they left and they owe money on it, write her off instead of getting up criticizing. Criticizing will never get you anywhere. Action is what these people want. That is one way to do it.

The Minister of Finance may think that is the most cockeyed idea that he has ever heard in his life.

AN HONOURABLE MEMBER: Nine months.

MR. NEARY: What? Nine months working on that?

AN HONOURABLE MEMBER: On a new programme.

MR. NEARY: I am not talking about working on a new programme. I am talking about compensating these people who moved under the old programme.

MR. EVANS: If we had to correct all the ills that were created by the Liberal Party, we would have to be in for a hundred years.

MR. NEARY: Well, the minister was not long correcting the Liner Board Mill. He leaped into that one boots and all, jumped in without looking. He almost took over the oil refinery at Come-by-Chance, forced BRINCO out of the province.

If they can reopen these agreements, Sir, and make financial arrangements and settlements, why do they not look after the poor little ordinary fishermen that resettled in this province?

Mr. Chairman, I am afraid, Sir, that the government are so enthusiastic about their Rural Development Programme, about their programme to establish small industries, Mr. Chairman, that they are going to be led astray and they are going to waste too much time, Sir, and waste too much money and energy in their attempts to swim against the tide of progress, the tide of today.

I say, Mr. Chairman, that if they rely on their Rural Development Programme solely to save this province that they will be barking up the wrong tree. What they should be doing, Mr. Chairman, is attempting to create labour-intensive, modern, productive industries in this province.

Mr. Chairman, I would like to see all sorts of little pieces and bits of activity going on in the rural areas of this province. I would, Sir. Sir, it is just not possible. It is not possible. We are going to have to think about guaranteed annual income in the future, Sir, because I did not make this up. We are told by the economists and by the experts that by the year 2000 - I said this in this honourable House before - that seventy-five per cent of the people of Canada will be paid for not working. We see signs of that here in Newfoundland every day. Every month when Statistics Canada release the unemployment

figures, they are just a little bit higher than they were the month before.

The unemployment drops during the construction industry, during the fishing industry and then in the fall of the year up she goes again.

So, Mr. Chairman, the next thing you know unemployment in this province will be thirty per cent, thirty-five per cent, forty per cent, fifty per cent and the next thing you know it is up to the seventy-five per cent that is forecast by the economists and the experts by 1975.

I am not trying to promote socialism, Sir, but it would seem obvious to me - it should be as plain as the nose on one's face that private industry is not going to create the jobs that are needed so that people can support their families. Private industry are not going to do it, Sir. They have failed. Why have they not done it? Why is unemployment climbing year by year in North America? Why has not private enterprise solved the problem?

Why, Mr. Chairman?

Because it is a fact of life. It is something you have to accept. We are living in an automated, technological age, Sir, and we cannot fight it. Business and industry today are talking about - when you are talking about them, you are talking about machines, not human hands. How much work is done today with people's hands? How much?

Sir, the Premier is announcing a big dragger programme which will kill the inshore fishery. That will be another \$15,000 or \$20,000 or \$25,000 that will be tacked down to the unemployment in this province. Everybody thinks that you have to get out a modern dragger today. So what do you do, you kill the inshore fishery.

MR. EVANS: Inaudible.

MR. NEARY: What is that?

MR. EVANS: Does he think -

MR. NEARY: Mr. Chairman, I could not care less. I would not care less, Sir. If the honourable member should not get the point I am making, Sir, I would say that there is nothing I can do about it. I cannot go over and hit him over the head.

Private enterprise, Sir, has failed and will fail to produce all the jobs, all the employment that we need in this province in the future. It is the duty and responsibility of the government to fill the breach.

AN HON. MEMBER: Inaudible.

MR. NEARY: It is not what?

MR. MARSHALL: On a point of order, Mr. Chairman. The honourable member is obviously, you know, not being relevant. We are talking about rural development. I have been hesitant to call the honourable member to order for irrelevancies and other members on the other side. I think it is about time to point out that there are seventy-five hours for the estimates. Over one-third of this time has gone now. The opposition has only managed to get through one department. It has shown itself equally incompetent, that is the official opposition, of organizing its affairs in opposition as it did in government. They can well know this fact that if they want to traverse into irrelevancies we cannot stop them because they intend to persist.

But the rules of this House now are seventy-five hours for the consideration of the estimates and it is up to the opposition, I think, to show us that they are an opposition that can debate the estimates properly instead of wasting the time that they are doing. That is their plan too, Mr. Chairman. This is their great plan, their great philosophy. They are going to talk on with their inanities, their trivialities and their irrelevancies and try to make something of it.

MR. CHAIRMAN (DUNPHY): The House Leader's point is well taken. The Member for Bell Island is not being relevant. I suggest that he be more relevant to the subject Rural Development. He is wandering far afield.

AN HON. MEMBER: It is nothing very thankful I can assure him.

MR. CHAIRMAN (DUNPHY): Right! If we can get on with it, would he please remain relevant.

MR. W. N. ROWE: Now that you have given your ruling, Sir, would you care to hear some arguments from this side?

AN HON. MEMBER: Inaudible.

MR. W. N. ROWE: Now that the sentence has been passed -

MR. NEARY: Your Honour the truth of the matter is, if it will make my honourable friend over here feel any better, Sir, the truth of the matter is that I am finding it very difficult myself because the Leader of the Opposition is away. The spokesman on Rural Development has gone to Musgrave Harbour and we have to try and hang her down until Monday, until they get back. This is exactly what I am trying to do, Sir. I am trying to make a few good points.

AN HON. MEMBER: Inaudible.

MR. CHAIRMAN (DUNPHY): Order, please!

MR. NEARY: I am trying to make a few good points in the process.

I have got whom?

AN HON. MEMBER: Inaudible.

MR. NEARY: No, I got nothing here. I will tell you what I am reading, Sir, I am reading an invoice from James Reid and Sons that I am now

going to deal with. I am glad the honourable minister reminded me. Two invoices I have got here.

Sir, I would say let the Minister of Rural Development go off and play with his marbles. As long as he does not waste too much of the taxpayers money on funeral parlours and beauty salons and newspapers and electric shons, as long as he does not squander too much of the taxpayers money on that kind of foolishness, as long as there is not too much political patronage, Sir, let him go and play with his little Rural Development Authority.

I will tell you something else, Mr. Chairman, that this honourable crowd do not realize. They do not realize, Sir.

AN HON. MEMBER: Inaudible.

MR. NEARY: Yes, I will tell the minister because the minister is astute enough to realize this. Then, Mr. Chairman, what they do not realize is that for every rural development loan that they give out, they have to turn down about twenty. So they make one friend and about twenty enemies.

AN HON. MEMBER: Inaudible.

MR. NEARY: Well, Mr. Chairman, it does have a lot to do with politics, Sir, if you give it to one of your political flunkies in a community somewhere and the rest of the people are turned down.

AN HON. MEMBER: Inaudible.

MR. NEARY: That was a personal - I still appreciate the minister's co-operation, you know.

AN HON. MEMBER: Inaudible.

MR. NEARY: What is that, Sir?

MR. REID: .... the Liberals got fifty per cent of the loans. The Liberal districts got over fifty per cent that were passed.

MR. NEARY: I do not know, I did not say that, Sir.

MR. REID: Well I am telling him.

MR. NEARY: Fifty per cent. Oh, I am certainly glad -

MR. REID: Inaudible.

MR. NEARY: No, I did not criticize the Minister for showing favouritism.



MR. REID: No, but he is saying there are political handouts though.

MR. NEARY: No, no, no, I said if the minister did, for instance, grant a - well let us take Bern Fitzpatrick as an example. Bern Fitzpatrick was my opponent in two provincial general elections, in 1971 and in 1972. He is the manager of an insurance company here in St. John's.

AN HON. MEMBER: He lost.

MR. NEARY: He lost, of course he did, I would not be here if he did not lose. He is the manager of an insurance company here in St. John's -

AN HON. MEMBER: A gentleman.

MR. NEARY: And a gentleman. He used to be a hockey player and a good hockey player too. He was a better hockey player than he was a politician.

AN HON. MEMBER: Inaudible.

MR. NEARY: What did Don Jamieson give him for dinner today?

Any liquid refreshments? Nothing ah? They are getting awfully tight in Ottawa, the ministers coming down here do not even entertain any more.

But take Fitzpatrick, for instance, now the minister knows he applied for a rural development grant to build two or three greenhouses. Nothing wrong with that. But he made the application in behalf of his father, Bob Fitzpatrick, who happens to be a very good friend of mine. I used to get the odd shift down in the coal boat when he was the foreman on the Pier. But, Sir, in my opinion, there was no need for Bernard Fitzpatrick to make that application on behalf of his father. His father could have made the application himself. Why did he not make the application and stand on his own two feet? Why did he think that Bernard had a little more pull? That Bernard stood a better chance of getting that approved?

AN HON. MEMBER: Inaudible.

MR. NEARY: He does not live on Bell Island, he lives in St. John's.

But, Mr. Chairman, the point is this, that the minister immediately created suspicion. You know there are people on Bell Island will say the reason

Mr. Fitzpatrick got the Rural Development Loan was because he ran for the P.C.'s. twice and was defeated and this was his pay-off.

The point that I am making and I am not arguing about it, I could not care less if Bern Fitzpatrick waltzed off with the Public Treasury, the point I am making is this: That the minister approved one application and made about one hundred enemies in the process.

MR. REID: That is true!

MR. NEARY: See what I mean?

MR. REID: In fact -

MR. NEARY: One can multiply this five hundred times around Newfoundland. Every time the minister approves an application and turns down twenty- thirty, forty or fifty others he is making enemies for himself.

MR. REID: That is true! That is true!

AN HON. MEMBER: (Inaudible)

MR. NEARY: Mr. Chairman, I am trying to be so honest and frank. I am telling them (I should not be saying this) I am giving the honourable members, Sir, a tip and maybe a little bit of advice. I know they are not going to follow it that is why I am giving it to them.

MR. DOODY: That is not what the honourable member is doing.

MR. NEARY: What am I doing?

MR. DOODY: Trying to undermine his friend from Hermitage, Sir, because he is a leadership contender too.

MR. NEARY: Ah! Sir.

MR. REID: What I was trying to help the honourable Member for Bell Island to say was that a while ago there were fifteen applications sent out to Trinity South.

MR. NEARY: Yes, Sir.

MR. REID: The fifteen of them were Liberals so there is no way in the world that I will get elected again.

MR. NEARY: That is right! That is what I am telling the honourable minister. I cannot be more honest than that. I am telling the minister that every time he approves an application -

MR. REID: I am just trying to show the honourable member how broad-minded we are.

MR. NEARY: That is right! Sir, if the minister were to approve all the applications that came to his Rural Development Authority he would need the whole Public Treasury behind him.

MR. REID: That is right!

MR. NEARY: He cannot do it.

MR. WOODWARD: Mr. Chairman, can we have a quorum call? There are only eleven members all told here now.

MR. CHAIRMAN (Dunphy): We have a quorum.

MR. NEARY: Mr. Chairman, the point that I am trying to make is this, Sir, that the Minister of Rural Development is not going to set the world on fire, not going to cure the ills and the problems of rural Newfoundland, not even going to put a dent in it but in the process he is going to destroy the administration. He is going to destroy it in this way, Sir, that for every application he approves -

AN HONOURABLE MEMBER: For political reasons.

MR. NEARY: Well, not only for political reasons, it could be for any reason because people are so envious and jealous. They are, Mr. Chairman. Human nature is a peculiar thing, you know. If somebody gets a \$10,000 grant, say on a certain road or a certain street, immediately up goes the barrier. Everybody then turns on him like a pack of dogs. That is exactly what is going to happen and that has happened. I can tell the honourable minister that.

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: That is what I would say too. So I would say to the minister, "Carry on! Carry on! Go ahead! Lash out the rural development loans, Make more enemies and we will have no problem at all sewing up rural Newfoundland in the next election. Our approach will be a little bit different, Sir. Our approach will be total development of the rural areas, global, global development, not just a little give-away programme: not a little give-away programme like we are seeing in effect right now, not pinning medals on persons. No, Sir, there will be total development, total development of the rural areas, the roads and the bridges and the water and sewerage and the public buildings and the schools and the recreation centres. We will return to the happy days, the Liberal days.

Mr. Chairman, so I have no ill will towards the Minister of Rural Development. I have nothing against the minister, Sir. His programme got off the rails as the member for Hermitage told him and my colleague, the member for White Bay South, told him. The programme is off the rails. Does the honourable member want me?

AN HONOURABLE MEMBER: Yes, I want the honourable member.

MR. NEARY: Mr. Chairman, I do not want to call a quorum again, Sir, but if I have to I shall. I mean I want the members in their seats.

AN HONOURABLE MEMBER: Call it anyway.

MR. NEARY: All right, could I have a quorum call, Sir.

MR. CHAIRMAN (Stagg): Ring the bells.

MR. NEARY: So, Mr. Chairman, I have told the government the truth.

I know that they will not pay any attention to it. The minister knows full

well that he is making enemies every day. So I encourage him to carry on. Carry on. They are not going to do any damage. Their programme is not going to be sufficient, Sir, to be a major factor in the next provincial elections. It is not going to be.

They can go around the Province and they can boast about their Rural Development Authority and their Rural Development Programme and so forth; it will not affect people one bit because people are no better off. The only reason people are better off in Newfoundland today is because of Ottawa, because of the money that is coming into Newfoundland from Ottawa, increases in the family allowance cheques, increases in the old age pension cheques and unemployment insurance, DREE, LIP projects, Opportunity for Youth Programmes. That is the only reason the people of Newfoundland are better off. The Minister of Finance knows that. He is getting an extra \$28.2 million from Ottawa. Car sales are up, car sales are up.

Look Mr. Chairman, I went over to the Avalon Mall on Easter Saturday. I took the kids over there and I was amazed, Sir. It was just like Christmas. I do not know where all of the money is coming from.

AN HONOURABLE MEMBER: Ottawa.

MR. NEARY: Of course it is coming from Ottawa. It is not as a result of the minister's Rural Development Programme, Sir, it is not. I like the minister and if I could scrape a few dollar from my home constituency of Bell Island, I would butter up the minister and try to get on the good side of him, get him to approve a few, I may as well get on the -

AN HONOURABLE MEMBER: Gravy train.

MR. NEARY: Jump aboard the gravy train. I might as well get on board, get a few projects approved. It might do some good for a few families.

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: But we are going to have to do something a little more than that, Mr. Chairman, we really are. I mean, to be quite serious, the minister knows that it is only a drop in the bucket. I think we are going to have to, this administration is going to have to change its attitude towards outside developers coming into this Province, Sir, outside industrialists coming in here.

The Minister of Finance put up a barbed wire fence around this Province when the administration took over and they have been at it ever since. PRIMCO was the latest example. We heard, Sir, Edmund de Rothschild over in Halifax a couple of days ago criticizing the government; saying they were disappointed because they did not get a chance to complete the work on the Upper Churchill let alone develop the Lower Churchill.

AN HONOURABLE MEMBER: Perhaps we can get Eddie a rural development loan.

MR. NEARY: Why do you not give him a medal.

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: Yes, no doubt about that, Mr. Chairman, you know what kind of a kick, Sir, what kind of a kick the Minister of Finance is on these days. "I am the great taxer. I am the friend of the capitalist. I am the friend of the rich and the wealthy."

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: My God! That will be your day, Sir. That will be a frosty Friday. The minister hopes that the press will take that up and quote it, "Neary is a friend of Rothschild. Neary is a friend of Crosbie."

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: We are not compatible, Sir. I am a stranger. When I get in the company of rich people, well to do lawyers, I feel out of place, Sir. I am a complete stranger.

AN HONOURABLE MEMBER: The honourable member gets a rash all over.

MR. NEARY: I tell the honourable gentlemen, you talk about New-foundlanders having an inferiority complex, Mr. Chairman, I clam right up, believe it or not. I freeze. I look up at these big millionaires and these big capitalists and my mouth, my jaws, I nearly get lockjaw. Oh, my!

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: I look at them with my mouth open, Sir, hoping that a few crumbs will fall from their table

MR. NEARY: I drink their wine, that is one thing I do. I guarantee the honourable gentleman that.

Is it not true? Mr. Chairman, does not Your Honour feel the same way? Your Honour is a man who came up the hard way. Does not Your Honour feel the same way with that honourable crowd over there? Sir, did you ever feel out of place? The Member for St. John's South came up the hard way. He must feel like a stranger over there sometimes. I heard the member on radio today talking about development in his own district.

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

While the honourable member is quite interesting and informative, he is nevertheless irrelevant.

MR. NEARY: Yes, Mr. Chairman, I realize that I was sort of slipping away a little bit that time.

I am going to wind up now, Mr. Chairman, with the punch line. I hope the minister is in his seat. One thing that concerns me very much about the Minister of Rural Development (I have said a lot of kind things about him, I think he is a fine, decent and honourable gentleman, Sir.) is the fact that he is allowing himself, rightly or wrongly, deliberately or otherwise, Sir, that he is allowing himself to be placed in what would appear to be a conflict of interest position. I am dead serious about this, Sir. I think the minister would be well-advised to try and clear up this situation at the earliest possible opportunity. I am not accusing the minister of conflict of interest, Sir. I am not accusing him. I have reason to think, Mr. Chairman, reason to say that it would appear to me at least if our conflict of interest legislation is to mean anything in this province - maybe the conflict of interest legislation is wrong; maybe the conflict of interest legislation was designed to allow honourable gentlemen like the minister to be able to carry on his businesses while he is still a minister and still a member of the government; maybe it is the fault of the conflict of interest legislation; maybe it is not stiff enough.



Mr. Chairman, they brought in conflict of interest legislation in Ontario the other day, the best they say in the world. Mr. Chairman, I am getting a copy of it. They brought it in I think last week, passed it last week. They say that it is the best in the world. There are teeth into it. Premier Davis had no choice, because so many members of his cabinet were involved in land speculation and construction companies and skullduggery and shieevenery, but to bring in this legislation.

Mr. Chairman, here in this province either the legislation is too weak, either there is no teeth in the legislation, it is not worth the paper that it is printed on or, Sir, the Minister of Rural Development is wrong in what he is doing. I will give the committee an example of what I am talking about.

Mr. Chairman, I have here in my hand, which I am prepared to table, two invoices made out to the Waterline Committee, Lead Cove - Sibleys Cove, Trinity Bay. The minister will remember it. Now remember, Mr. Chairman, when these two invoices were made out the water vote came under the minister's department.

MR. REID: Am I allowed to contradict that?

MR. NEARY: Hold on now. The honourable gentleman can contradict it when I am finished.

The water vote came under the minister's department, Sir. The Waterline Committee in Lead Cove - Sibleys Cove, in Trinity Bay, went to the minister looking for financial assistance to put in a waterline in their community. The minister, Sir, probably said, "okay, I will see what I can do. I will do best I can for you." So, he comes into his department, has a chat with his officials and they get the money to put in the waterline in Lead Cove - Sibleys Cove, Trinity Bay. Then they hire the minister's equipment, Sir. These two invoices are for the hiring of equipment, May 15, 1973, the water vote was there under the minister's department - May 15, 1973, May 16, 1973, ten hours, the

hire of a John Deir, Backhoe No. 2; the hire of a John Deir, Backhoe, No.1; May 18, May 21, 1973, nine and one-half hours, total sixteen and one-half hours, twelve dollars an hour, \$726, plus transportation, a low-bed float, \$50, total \$776. James Reid and Sons Limited.

The second invoice, May 31, the hire of a John Deir, Backhoe No. 1, May 15, eight hours and so forth and so on, total seventy-three hours at twelve dollars an hour, \$876, plus transportation of a low-bed, \$926.

Now, Sir, my understanding is that these bills were submitted to the Waterline Committee and the Waterline Committee sent them to the minister's department and a cheque was issued in both of these cases to the minister's company, James Reid and Sons, directly out of the public treasury to the minister's company, not to the -

AN HON. MEMBER: So what!

MR. NEARY: So what?

The bill went to the Waterline Committee.

AN HON. MEMBER: (Inaudible).

MR. NEARY: Mr. Chairman, obviously the member is not listening to what I am saying.

AN HON. MEMBER: Tenders were called for.

MR. NEARY: There were no tender calls. The money was allocated by the minister's department for the Waterline Committee. The bill was made out to the Waterline Committee.

MR. REID: What date?

MR. NEARY: May 31, 1973.

MR. REID: I was not in that department.

MR. NEARY: I beg to differ with the honourable gentleman. That is less than a year ago. The honourable gentleman has been there for two years.

MR. REID: (Inaudible).

MR. NEARY: It was in the honourable minister's department.

The point is, Mr. Chairman, that the cheque was issued directly from the public treasury to James Reid and Sons, not to the Waterline Committee in Lead Cove - Sibleys Cove, Trinity Bay. It is a most, most peculiar situation, Sir, to say the least. I am not accusing the minister of any wrongdoing, Sir.

MR. REID: Mr. Chairman, if I remember correctly that job was awarded or money was allocated back in 1970 or 1971 and the committee came to our company and asked us to come down and dig the line down in Lead Cove. In fact because of the rock in Little Mac Hole River they asked us to come down there. In fact it was going under contract - they were later going to get a contract if I did not go down there and they figured that I saved them over \$1,000 by going down there. I think that that is the particular same job now. Where the money came from later, I could never argue that at the present time.

MR. NEARY: Mr. Chairman, I -

MR. REID: It was actually the committee that hired our equipment from Lead Cove. I think I should be allowed to be hired by any town council or any company around Newfoundland if they are doing government jobs or what. If a council should ask for a piece of equipment and they want my piece of equipment, I do not think because I came here that that should lie by the door.

MR. NEARY: Your Honour I would like to know what is conflict of interest. What is conflict of interest? Is it just a farce? Sir, in this particular case, this money that we are talking about, this vote, was in May, 1973, not in 1971. The administration changed on January 18, 1972 and everything went out with the old administration. It is not a hangover from the old administration, Sir. It is a new department. It is a vote that was in the minister's department. The Waterline Committee went to the minister and said, "Look, we want a grant to put in a water line." The minister says, "I will try and get it for you." Then they hire his equipment and then they pay the minister's firm directly.

out of his vote.

MR. REID: There is no such thing. I never went to any department and asked to have this job done, not in my department or in any other department. The council had the equipment, had everything out there, as far as I understand which I will certainly check out. The council had the material, I do not know but for a year or two before ever the job was started because there was no equipment available that could do it. Then the council asked me or asked my company to do some work on the job down there.

MR. NEARY: Mr. Chairman, what I am going to -

MR. REID: Well, if that is conflict of interest, I may as well start getting ready to resign tomorrow because I could never work for any company here that ever government money was invested on any particular job. I will not be able to go down to the hospital here or some other place if certain companies cannot hire my equipment - I am out of business tomorrow.

MR. NEARY: Mr. Chairman, let me go back over these invoices again, Sir. The minister mentions the hours. Well, Sir, the hours, I can tell the minister what hours his equipment worked with this water line committee. It was May 15, 1973 - eight hours; May 16, 1973 - eight hours.

AN HONOURABLE MEMBER: According to the invoice.

MR. NEARY: According to the invoice and the minister received payment as a result of this invoice. May 18, 1973 - nine and one-half hours; May 19, 1973 - eight and one-half hours.

MR. REID: Well, the only thing about it is that the water supply people must have sent the bill in to these people. That is all I know.

MR. NEARY: No, Sir, the minister's firm sent a bill to the water line committee. The water line committee sent it in to the minister's department.

MR. REID: Mr. Chairman, once again, the water supply people hired my equipment and they sent my invoices in to St. John's. How was I to know that it was going to come from any department. Naturally enough if they hired, which we did work years and years before that

for the same committee and naturally enough I thought the money was going to come from the same place.

MR. NEARY: Well, Mr. Chairman, I am really naive, Sir, really, really naive. There is a very great principle involved here, Sir. This is not I submit, Sir, to the committee a hangover of the former administration. It is not an outstanding project that has been outstanding for two years. It is not. I can see the wheels turning there now and the Minister of Finance's brain because he is thinking now, "What is the loophole? How can we get around this?"

Well, I will tell the minister how, I am not making any charges, I am not flinging any dirt. That would be the last thing in this world that I would do but I am going to suggest something to the committee and to the honourable minister so that he can clear his own name because this looks, Sir, like it has all of the appearance of conflict of interest, if it be not, there is no such thing as conflict of interest in this Province. - if it be not. The minister received the cheques -

AN HONOURABLE MEMBER: Inaudible.

MR. W. ROWE: On a point of order. I asked the so-called assistant deputy whatnot Chairman or whatever he is to allow the member for Bell Island to continue his remarks in silence.

MR. CHAIRMAN (Stagg): The point raised by the honourable member for White Bay South is quite correct. The member for Bell Island has the floor. He has not been interrupted on any point of order and of course comments from the other side of the House while he has the floor are out of order.

MR. MARSHALL: I am rising on another point of order, Mr. Chairman. I think the honourable member for White Bay South, his blood pressure should be down a bit after his nice holiday down south. When an honourable gentleman refers to a member of the House one is not allowed to call him the so-called deputy Speaker, he is the honourable the member for St. Geroges. This is the type of bitterness, the bitter

little pill that the man eats all of the time. The fact of the matter is that if we are going to maintain any decorum in the House at all, Beauchesne is quite clear on it, that people are to be referred to by their designation in this House, as the honourable member for such and such.

AN HONOURABLE MEMBER: Inaudible.

MR. MARSHALL: Right, that is right.

MR. NEARY: Mr. Chairman, it is regrettable indeed that these matters have to be brought before this honourable committee, but, Sir, what other way? I know of no other way that we can get these things out in the open.

MR. J. CARTER: On a point of order, Mr. Chairman. The proper way to bring these matters before the committee is to table this stuff. Let it be tabled and let the Chair examine it and then report back to this committee. I submit that it is a gross misuse of committee time to allow a person to get up and spin a tapeworm of a ragbag of insinuations. Let him table his stuff and then let Your Honour or the clerk examine it and report back to this committee. That is the proper way to do it. I submit that he should not be permitted to continue his fabrications.

MR. W. ROWE: May I speak to that, what was it called, point of order, Mr. Chairman? The honourable member for Bell Island is quite in order. He is making his speech to the committee on this vote. He is as I can see infracting no rule of order. The only rule of order being infringed is the attempts by the honourable members opposite to suppress what the honourable member for Bell Island is doing, by rising on specious points of order.

I would suggest to Your Honour, I submit to Your Honour that the honourable member for Bell Island be allowed to continue with what he is doing.

MR. REID: Mr. Chairman, on a point of order. This was in May of 1973. What is the date the honourable gentleman has there?

AN HONOURABLE MEMBER: Inaudible.

MR. REID: What is the date? That is all I want to know.

MR. CHAIRMAN (Stagg): Order, please! The honourable minister while he undoubtedly has an interest in this matter is not directing himself to the point of order raised by the honourable member for St. John's North. I am not prepared at this time to accede to the request as outlined by the honourable member for St. John's North. I do not think that the committee has any status to receive tabled documents in any event.

I also suggest to all honourable members that as far as the Chair is concerned the honourable member for Bell Island is in order, and making his speech has the right to be heard in silence. If honourable members wish to challenge the relevancy of what the honourable member is saying then they may do that but at the present time he appears to be relevant and has the right to be heard in silence.

MR. NEARY: No insinuations, no accusations, no charges, Sir, I am just merely raising what I consider to be a very important matter that may have some bearing on conflict of interest in this, under our recent conflict of interest legislation and it may not be so, the minister may be completely innocent, Sir. There may be a satisfactory explanation for all of this, Mr. Chairman. There may be

MR. REID: It had to be sent to the wrong department at the wrong time because it was not in our department at that time of the year.

MR. NEARY: In 1973?

MR. REID: No.

MR. NEARY: My understanding, Sir, Well, Mr. Chairman, I am going to give the minister an opportunity to clear himself of any appearance of conflict of interest. I am not laying any charges against the minister. The minister may very well go down and in his department check his records and find out that he is wrong. He may find out that I am wrong.

So what I am going to suggest to the honourable minister is that

in all fairness to the committee and to himself and to his company and to the people in the district of Trinity South that the minister should produce all documentation in connection with that water line in Sibleys Cove and where is the other place?

AN HONOURABLE MEMBER: Lead Cove.

MR. NEARY: Lead Cove. The minister should tell us whether public tenders were called or not. The minister should tell us the amount of money that was allocated for the project. The minister should tell us -

AN HONOURABLE MEMBER: LIP Programme.

MR. NEARY: I beg your pardon?

AN HONOURABLE MEMBER: LIP Programme.

MR. NEARY: No, it was not a LIP Programme, Sir.

MR. REID: Ninety per cent.

MR. NEARY: No, Sir, these invoices I have, Mr. Chairman, -

MR. REID: I said ninety per cent

MR. NEARY: These invoices that I have, Sir, were paid out of the provincial treasury directly to the minister's company.

MR. REID: That percentage.

MR. NEARY: That percentage. Well, that is what I am talking about, that percentage. I am not talking about any other percentage. The minister should be prepared to bring into this committee now that the matter has been raised everything pertinent to this water line from the time the approach was made to the minister by the water committee. Was it made orally? Was it made in writing?



what steps the minister then took to see that the money was allocated for this project. Was it in his own department? Was it in the other department that he spoke about Municipal Affairs? I am inclined to think it was still in the minister's own department, Sir, but later transferred to the Department of Municipal Affairs. I think this would be in the minister's own best interests, believe me. I mean I am serious about this because it is something that bothers me very much, Sir. It bothers a lot of people.

What is conflict of interest? If this sort of thing is not conflict of interest, then would somebody please tell me what is conflict of interest? Will the minister tell us, if public tenders were called, why the bill was sent to the water committee from the minister's company and then the minister paid directly out of the public treasury? Was there any correspondence back and forth? Was there any coercion, any persuasion, any influence used to hire the minister's equipment?

AN HONOURABLE MEMBER: No way.

MR. NEARY: No. Well, I am prepared to take the minister's word but I want to see it in black and white.

AN HONOURABLE MEMBER: Inaudible.

MR. NEARY: I certainly am when the minister brings in the evidence and lays it out before the committee. I would say, "Well done thou good and faithful servant!" That is what I will say because I am not laying any charges against the minister. Whenever I come across instances -

MR. WELLS: Mr. Chairman, to a point of order. The honourable gentleman from Bell Island got up to speak at approximately five o'clock. If he had this document at that time and he stated that he did have it, he should have presented it then instead of waiting until the crucial hour when this House is about to adjourn for the weekend. I certainly do not admire the honourable gentleman's tactics.

I would move, if I were in order, that this House should

stay sitting until the honourable minister has had a chance to reply to these charges and that the House do not recess at six o'clock in order for this whole matter to hang fire over the weekend. I think it is a disgrace. I think the tactics are abominable. That is the point of order.

MR. NEARY: Mr. Chairman, there is no point of order. No charges have been made. The minister will have ample opportunity -

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

I believe that that motion can only be made when the Speaker is in the Chair, the motion that the committee not recess at six. I will hear further argument on it for direction.

MR. MARSHALL: Mr. Chairman, I would imagine in the sense of ordinary, common decency that the honourable member for Bell Island is going to yield the floor in adequate time for the honourable the Minister of Rural Development to reply. Of course, if he should not then we do not need to stop the clock at six. Then if necessary, if there be no agreement, then we could return tonight, under the rules. I do not think that that will be necessary. I think the honourable member for Bell Island out of a sense of ordinary, common decency is going to yield the floor in a couple of moments to let the honourable minister reply.

MR. NEARY: Mr. Chairman, I have no objection to that at all. As a matter of fact, I doubt that the minister will be able to reply until he goes down to his department and checks into the files and the records of his department. He will have to send for his officials to get certain information. If the minister should want to get up and say that, I shall give him time. I will finish up in two and a half minutes.

Sir, I remember when this matter of conflict of interest arose. The minister himself indicated that he may have to resign his position as a minister of the Crown because he would prefer to carry on his business. The Premier took to the airwaves and said, "Oh no! No! No! Do not do that now! Take it easy! Slow down! No need of doing that: When a matter arises concerning the minister's department, the minister will just step aside while that particular

matter is being dealt with. When it is finalized, the minister goes back in his department again." Am I summarizing what the Premier said correctly?

Mr. Chairman, I never heard anything so ridiculous in my life, never did I suppose and never will again. Can you imagine the minister while a contract is being negotiated with his department, he has bid on a contract, he has tendered on it or a contract is being negotiated with him, all he has to do is step aside, Mr. Chairman, neutralize himself for twenty-four hours, get the whopping big contract and then go back in his own portfolio again. What kind of nonsense?

So, Sir, if conflict of interest is to mean anything in this province, then certainly we must raise these matters, get them out in the open, have their clarification, have the situation explained. There may be a proper explanation for it, Sir. I am looking forward to hearing the minister explain it and clarify this situation because, Mr. Chairman, it does have all the appearances of conflict of interest.

MR. CROSBIE: I am sure the minister wants to reply to that but I would like to speak for a few minutes on it. The minister will have lots of time but I think I am entitled to speak.

MR. NEARY: Mr. Chairman, a point of order. Sir, I yielded the floor if you remember, Your Honour, to let the Minister of Rural Development-

MR. CROSBIE: Mr. Chairman, the honourable gentleman sat down and I am now on my feet to speak in this matter.

MR. CHAIRMAN (MR. STAGG): The honourable member when he resumes his place cannot choose who will speak next. The honourable member may have been under that impression.

AN HONOURABLE MEMBER: It was a gentleman's agreement, Your Honour.

MR. CHAIRMAN (MR. STAGG): There was no agreement which the Chair had any part in.

MR. NEARY: There are no gentlemen on that side of the House. That is it, Your Honour.

MR. CROSBIE: Mr. Chairman, it behooves the honourable gentleman to complain about sitting down and giving us a few minutes to speak while he has been speaking for about an hour. The honourable gentleman might well be mixed up about conflict of interest. I mean, I have never heard such an attempt to confuse people on conflict of interest. The law passed by this House, Mr. Chairman, and the conflict of interest law in this province - we had none before last year - is simply this, that any member of this House or certain people in the civil service of the province have to declare any interests they have in land or in private companies, or in public companies of shares in excess of \$500,000 in value or any interests they might have which might conflict with their duties as public officials. They have to declare their interests. That is what the act provides for.

Then the act provides that if in the exercise of their public duty, their particular public duty, there is any conflicting private interest of their own, they should not participate in the decision. That is the rule. There is no legislation in this province nor is there in any other province any legislation that says that you cannot be a member of the House of Assembly if you are in business or have other private interests. There is no such rule and I doubt if there is ever going to be because we will not have very many people eligible to come into the House if that ever becomes the rule. They have to declare what their interests are and not participate in a decision where a private interest and a public duty might conflict.

Now, doubtless the Minister of Rural Development when he gets a chance to look up this particular incident and give the details will show that there was no conflict of interest. If the Minister of Rural Development was also a businessman before he came into this House and he still has a company operating now, he does not want to throw away his whole livelihood, in case he does not run again or is not elected again. He has a company operating that hires equipment and so on and has for years and he

has done very well with it.

If some municipality or some group that want to dig a well or put in a water system or whatever hire his equipment and it is ultimately paid for by a grant from the federal government or the provincial government or so on, how is that a conflict of interest? There is no conflict at all. There would be a conflict of interest if the Minister of Rural Development were in charge of making these grants - it would be worse than a conflict of interest - and said to the water committee, "You shall only get a grant if you hire my equipment." If that were the charge being made here today, we should be on to something serious. Unless that be the situation, this is a completely fictitious issue.

The member for Bell Island has not said that, and doubtlessly that was not the fact. All he has shown is that an invoice from this water committee for the hire of equipment to dig these wells, they hired the equipment at James G. Reid and Sons Limited, sent the invoice on to the agency and the government that pays for community wells and they paid the invoice. So what? How is that conflict of interest? There is absolutely no conflict of interest in it.

Now that the matter has been brought up, the Minister of Rural Development will have to look up all the details on that particular thing. The Minister of Rural Development is in no conflict of interest if his equipment be hired by any municipality in the country, or any water committee or even if it be hired by the government. Suppose the Department of Public Works hire the equipment owned by James G. Reid and Company Limited and pay the standard rates and so on for it, so what? What is wrong with it? Nothing wrong with it unless it could be shown that they are paying far too much, that comparable equipment is much cheaper or that the Minister for Rural Development interfered and insisted that they hire his equipment or something like that.

So it is very important, Mr. Chairman, in my view to make that point quite clear because this House will not be back in session again until Monday and it might appear that the Minister of Rural Development is guilty of some heinous crime. Everyone in this House knows that he is in the equipment rental business and in the excavating business and he has done very well in it. He is a very successful businessman. That is one of the reasons why he is a good minister. He has lots of get up and go and he has made his way in the world. There is nothing wrong with him continuing to have that business unless some piece of chicanery can be produced to the House to show that he is abusing his position. The Member for Bell Island has made no charges and he has not said that he is abusing his position. He has brought this up. Just so that it does not look too bad in the press. I think those things need to be said. Doubtlessly on Monday the Minister of Rural Development will explain this particular transaction. But there is nothing sinister in the fact that a water community hired equipment from James G. Reid which they had to hire and the invoice coming into the community water group in the government here that pays for community wells and it being paid directly. There is nothing wrong with that.

Mr. Chairman, that service used to be in Municipal Affairs. In fact I think it still is or this community water system has gone to Municipal Affairs. It used to be in the predecessor of this department, Community and Social Development. Now it is in Municipal Affairs. I am quite satisfied that this is a minor alarm that the minister will be able to clear up.

Mr. Chairman, there seems to be a great deal of confusion about conflict of interest simply because the Minister for Rural Development has an interest in a private company that is involved in the excavation and rental of equipment and so on and there is no reason why he cannot be a member of this House and a member of the government, none, as long as he has declared it on his form that is filed down in the Auditor General's Department and does not himself interfere in a decision to give his own company business. That is how I understand it. That is how we on this side understand it.

We are sure that on Monday he will be able to explain this invoice and the circumstances of it very satisfactorily. I do not think the impression should be left that there is any possibility whatsoever that the Minister for Rural Development has committed any offense at all.

MR. W. N. ROWE: Does the minister wish to say anything now, Mr. Chairman? If so, I will gladly yield my place to him. Or does he want to wait until Monday, until he can refresh his memory?

MR. REID: What I see here, Mr. Chairman, as far as I am concerned - when did conflict of interest come into effect? Does anyone know right now?

AN HON. MEMBER: January, 1973.

MR. CROSBIE: January, 1974.

MR. REID: Conflict of interest came into effect then.

MR. CROSBIE: The legislation came into effect.

MR. REID: When was it made law?

MR. CROSBIE: January 1, 1974.

MR. REID: Well how would conflict of interest then - would I be into conflict of interest then in 1973?

MR. CROSBIE: It certainly was not into effect -

MR. REID: I am wondering where the conflict of interest comes into right now, a year later.

MR. W. N. ROWE: Sir, I would like to say one or two words but if the minister should want to carry on with some facts or something, I shall gladly yield.

First of all, Sir, let us be quite clear about this. I do not ever recall seeing these things before. I do not know when the Member for Bell Island managed to - or someone sent them to him or whatever happened.

It is a very difficult situation, Mr. Chairman, confronting anybody who is any good in society today, anybody who has made his own way in any field, whether it be business or law or anything else because

if he should ever get involved in such a concern business, law or any other enterprise and if he should be so lunatic as to enter politics and he finds himself in a situation where he cannot really get involved in deals with the government without suspicion being cast upon him, it is as simple as that.

Here we have a situation rightfully brought forward by the Member for Bell Island, documentary evidence of the fact that in 1973, May of 1973, the minister's equipment was hired by a water line committee. Now that in itself arouses suspicions. I make clear or I hope I make clear that I am not trying to accuse the minister of anything. When one is a minister of the crown -

MR. REID: (Inaudible).

MR. W. N. ROWE: Well I do not know that. I hope that the minister will give us some evidence of that or give us the facts relating to that. I do not know that. All I can go by here now today is that: "To hire of John Deir backhoe, May 15, 1973, ten hours; May 16, 1973, one hour; May 17, 1973, six hours." I do not know when the deal was made. I do not know when the equipment was there. I do not know if somebody took a year or something, maybe it was 1971 that these hours were spent rather than 1973, I do not know. All I know is that the Member for Bell Island has rightfully brought forward something which on the surface looks a bit suspicious. Why does it look suspicious? Why unfortunately does it inevitably look suspicious when a member of the government, not a member of the House - if the Member for Labrador South had some equipment or something and it was hired to the government some way or other or some member of the opposition, it would be hard to find a conflict of interest there.

Mr. Chairman, when a member of the government, a minister of the crown, has a company and equipment is hired, indirectly, to do government work, to perform government services, then it inevitably looks suspicious. I want to make that point because I would not want any member of the committee - I think the Minister of Finance tried to make the innuendo that here is the Member for Bell Island doing something



irregular or irresponsible. I say in this debate as I said in an earlier debate that when evidence comes into the hands of a member of this House and it seems like the Member for Bell Island is like a magnet to people who want to see that this stuff is brought out - I do not know where he gets hold of it, I do not know who sends it to him. I doubt if he is going around with a lamp looking for an honest man or anything. I think that perhaps people say; "Well now, Neary is the one to send this to!" They know that the Member for Bell Island is going to bring it out in his usual forthright fashion. Like the Minister of Finance, as a member of this House, I do not want an erroneous idea to get out either. I do not want people to think; "Well, what is the Member for Bell Island doing?" Is this irresponsible? No, it is not irresponsible, Mr. Chairman. He is doing the right thing. He is exposing to public scrutiny what looks like a suspicious situation.

Mr. Chairman, I am sure, as a member of this committee that the minister when he goes down to his department over the weekend, Monday morning -

AN HON. MEMBER: (Inaudible).

MR. W. N. ROWE: No, Mr. Chairman, the Order Paper is very small, He can put it on that if he should want to.

AN HON. MEMBER: Why did not the honourable gentleman ask about it before?

MR. NEARY: (Inaudible).

MR. W. N. ROWE: What does one have to do? What is the forum, Mr. Chairman? If he "snuck" down to the minister's office or something -

AN HON. MEMBER: (Inaudible).

MR. W. N. ROWE: Well, okay, he is a political figure. He is a public figure. The Minister of Finance has never been known to have his beautiful physiognomy appear on the idiot tube, Mr. Chairman. I mean

he never wants any publicity; he never issues a public statement about anything, he never condemns one of his fellow men unjustly or with half-truths. I suppose it is the nature of the political process.

I would like to make two points and then sit down.

(1) The Hon. Member for Bell Island is doing the right thing in bringing this forward. He is making no charges, he is doing his duty as a member of this House in exposing this to public scrutiny.

(2) Nobody on this side of the House is making any charges against the minister but it is a peculiar situation because, although I am certain as a member of the House that he is not guilty of anything approaching an abuse of power. I think it behooves the minister to make an explanation as to what exactly went on here because such a situation as this is fraught with dangers. If there be a minister of the crown with considerable power, a man who can pass out money to the public, to public individuals or to institutions such as this water committee or any kind of a body like that and there be a minister of the crown who also is being paid out of the public purse for services being performed by his company and the possibility of strong-arm tactics being used or persuasive tactics being used then it is incumbent upon a minister in that situation to make a public explanation.

Mr. Chairman, if I were a minister, hopefully as innocent as I am sure the Minister of Rural Development is, then I would certainly feel it incumbent to make a public explanation. I would like to make those points, Sir. The Member for Bell Island did the right thing in my estimation in bringing this out and I look forward to the minister's explanation. I am sure and I am sure everybody, everyone of my colleagues feel the same way. I am sure the minister is not guilty of any wrongdoing but I think in suspicious circumstances, where there are grave dangers of misuse of power that a minister should in fact supply to this committee as much evidence as is necessary to satisfy every reasonable member of the committee.

MR. MARSHALL: Mr. Chairman, just before I move that the committee rise, there is one thing I would like to say with respect to what the Hon. Member for White Bay South said - these alleged bills that were passed to in effect a municipal council, in suspicious circumstances. I do not think they were suspicious circumstances.

The honourable minister, in his interjections, when the Hon. Member for Bell Island was speaking, to my mind anyway gave a very satisfactory preliminary answer with respect to the thing, that he has had equipment that has been working all the time. The debt was incurred as a result of a request from people outside government altogether. If this particular type of procedure, which is requested to be followed in this case, applies, it would appear that the only way a person could ever enter into politics is to be a billionaire with millions of dollars stashed away in his bank account or come in with absolutely nothing and the middleman would get done again (There is another word for it but it is not parliamentary.) as he does in every area. I know the honourable minister will wish to continue this further on Monday but as I say, as far as I am concerned, with his interjections to the Hon. Member for Bell Island, he gave a very adequate explanation.

Now, Mr. Chairman, I move that the committee rise, report progress and ask leave to sit again.

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

On motion report received and adopted.

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

MR. SPEAKER: This House stands adjourned until tomorrow Monday, April 29, 1974 at 3:00 P.M.



