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**VERBATIM REPORT**

MONDAY, DECEMBER 1, 1975

SPEAKER; THE HONOURABLE GERALD RYAN OTTENHEIMER

The House met at 3 P.M.

Mr. Speaker in the Chair.

MR. SPEAKER: Order, please!

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES:

MR. SPEAKER: The hon. Minister of Finance.

MR. DOODY: Mr. Speaker, as required by section 45 (2) of the Financial Administration Act, the Department of Finance is required to report to the House of Assembly within fifteen days after the commencement of each session all temporary loans raised under these sections of the Act and I am attaching here a list of the demand loans and treasury bills issued from March of 1975 up to and including November 18, 1975, so these are for the tabling.

ORAL QUESTIONS:

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

MR. ROBERTS: Mr. Speaker, a question I guess for the Government House Leader in the absence of the Premier and the hon. Minister of Mines and Energy, Could the minister tell us whether the third mortgage in respect of the Come By Chance refinery has in fact been executed- and if the minister does not know perhaps his colleague the Minister of Justice might- but the third mortgage, The government are not party to it, Of course, the government have to consent to it and since we hold the second mortgage to the refinery, you know, naturally we have an interest in it. Could the minister tell the House where we are on it, please?

MR. SPEAKER: The hon. Minister without Portfolio.

MR. WELLS: Mr. Speaker, that third mortgage has not been executed. My understanding is that there was a preliminary or initial agreement which dealt with the third mortgage and a memorandum between the various parties, and that certain legal opinions and other things had to be done and there was a period of some days, thirty days, forty days, something like that -

MR. DOODY: There were some conditions precedents.

MR. WELLS: Yes. some conditions, I remember one of them were legal opinions had to be given satisfactory to both parties. I think all that has to be

done if and before the third mortgage can be executed and to my knowledge it has not been executed yet.

MR. SPEAKER: The Leader of the Opposition.

MR. ROBERTS: Mr. Speaker, a supplementary - I thank the hon. gentleman. Does he anticipate any difficulty in having the mortgage executed? Now I ask that only because the Minister of Finance mentioned some conditions precedent and this is the first I was aware that there were conditions precedent other than the normal legal flimflam of opinions and so forth and so on, drafting of documents. Are there any substantial conditions precedent and if so does the minister anticipate any difficulty in having them met?

MR. SPEAKER: The hon. Minister without Portfolio.

MR. WELLS: I think it is premature to say that, Mr. Speaker. At this stage I think it will depend on the legal opinions which will deal not only with the substance of the agreement in the third mortgage but the legal opinions. I believe, will deal with the rights of outside parties as well.

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

MR. ROBERTS: Mr. Speaker, I now give the hon. gentleman a further supplementary on the same topic, same point; have the government consented to the execution of this third mortgage, and if so is their consent evidenced in this memorandum? In other words, are they a party to this memorandum to which the minister referred?

MR. SPEAKER: The hon. Minister without Portfolio.

MR. WELLS: Only in the sense that the government will not execute unless the legal opinions received are satisfactory to government.

MR. ROBERTS: That is not answering the question.

MR. WELLS: Well I think that is the position, though. Whatever the question is, Mr. Speaker, the government is concerned with the rights of third parties as well as all matters connected with it and the legal opinion will advise government on all these matters, and only then if satisfied will government consent to the third mortgage.

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

MR. ROBERTS: Mr. Speaker, I possibly did not make it clear, because I think the hon. gentleman is trying to be helpful and I take his answers in that light; Have the government - and when I say, 'have the government consented,' they obviously have not consented to the formal document because it has yet to be prepared, from what the minister is saying - but have the government consented in principle (to use a precise term loosely) have the government consented in principle to the proposals of the third mortgage, and if so have they done it - the minister mentioned a memorandum which appears to embody the present agreement between the various parties - are the government a party to that memorandum?

MR. SPEAKER: The hon. Minister without Portfolio.

MR. WELLS: Yes, and the third mortgage will be executed provided a, b, c, d, e, is satisfactory to government.

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

MR. ROBERTS: Mr. Speaker, I thank the hon. gentleman again. Would the government be prepared to table a copy of that memorandum?

MR. WELLS: I do not think so, Mr. Speaker, not at this stage.

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, I would like to direct a question to the Minister of Forestry and Agriculture. I would like to ask the minister if he met with the farmers in Newfoundland this morning and if so does the government intend to grant the request to the farmers to set up a marketing board for farm products in this Province?

MR. SPEAKER: The hon. Minister of Forestry and Agriculture.

MR. ROUSSEAU: Mr. Speaker, I did not meet with the farmers of Newfoundland this morning. I met with the farmers mostly on the Avalon Peninsula, the dairy farmers, in respect to the question, mainly the question of land freeze or as we prefer to call it, development land in the area that we have designed, which in effect is called land freeze. We met with these people this morning and they were very concerned

about the concept of the designation of development land which we may use as the term 'land freeze', and what government's position was now in respect to it, whether there were going to be any changes in it, whether, in effect, that the dairy farmers in the Avalon Peninsula area, in the St. John's area, the immediate St. John's area could be assured of long-term commitments in respect to that land. We talked about that. We talked about the question of the cost of feed in the Province. We also talked about a number of other minor questions and no conclusions were arrived at. We are presently undergoing, as initiated by my colleague, the hon. Minister of Health, who was the previous minister, some suggestions in respect to the question of the land freeze.

I think in our position, government's position, that farmers have the right to know just what they can expect in respect to the land freeze that was introduced in October 3, 1973. Are there going to be any changes in respect to the long-term commitments of government in keeping this land under agricultural bounty? So right now, Mr. Speaker, we are going to let them know within the next couple of months just what the situation is. We gave them the departmental position this morning which we asked them to keep in confidence at this point in time, the suggestion that I am going to bring it before government as the minister responsible for the department. They appear to be as satisfied as possible. They were not overly happy, of course, and until they have a commitment they will not be.

On the question of land banking, quite a few of these questions arose, and we will be in a position within one month to three months to let them know the exact status in respect to the designation of development land in the area.

MR. SPEAKER: The hon. member for LaPoile (Mr. Neary).

MR. NEARY: Mr. Speaker, I thank the minister for the answer, Sir, but a supplementary, the much larger question of the marketing of the farm products. I think the minister has had several representations recently from farm groups, especially in the Green Bay area. What does the minister intend to do? Does he intend to set up a marketing board for farm products in this Province? Or are there going to be meetings

held or what?

MP. SPEAKER: The hon. the Minister of Forestry and Agriculture.

MP. POUSSEAU: There will be meetings held, Mr. Speaker. I did have - the actual Green Bay area did ask me and I suggested to them that it is impossible while the House is open. It is unfortunate that I cannot get out as much as I want to. I certainly will between the time the House closes and the opening of the session in the New Year. But the question came up this morning in respect to the dairy farmers and some of the marketing problems. But I am sure as the hon. member can appreciate as I hope the farmers of the Province appreciate that I am not by nature, birth or inclination a farmer or forester, but certainly it takes time to become aware of these problems. I certainly will. I hope to do that by meeting with these people. I know the problems they have in respect to marketing.

I might say, by the way, if everybody enjoyed the dinner I had yesterday which was Newfoundland lamb, Newfoundland potatoes and Newfoundland carrots and so on and so forth and really enjoyed the meal -

AN HON. MEMBER: Was it paid for?

MR. POUSSEAU: And I paid for it.

MP. NEARY: Bake apples?

MR. POUSSEAU: My wife paid for it out of her - no, I did not have bake apples, Labrador bake apples are very important. But that we do have an agricultural market in this Province, there is no question about it. The land we have is limited, and the whole intention now of the problem in agriculture, of course, is to ensure that the land that we have that is agriculturally inclined, that it be kept for farmers. The question of marketing is one that is a big one that I have not become completely aware of yet but that we will certainly when we meet with the farmers and find out the problems they have, it is our hope that they persist in agriculture and that many other people are added to the agricultural roles and hopefully we will be able to provide a market for these agricultural products in the near future.

MR. SPEAKER: The hon. member for LaPoile (Mr. Neary).

MR. NEARY: Mr. Speaker, what does the Minister of Transportation and Communications have to say about the criticism about the late hiring of snow clearing crews and maintenance crews for the Winter months?

MR. SPEAKER: The hon. Minister of Transportation and Communications.

MR. MORGAN: Mr. Speaker, I am unable to answer that question because my department has not received any criticism.

MR. SPEAKER: The hon. member for LaPoile (Mr. Neary).

MR. NEARY: Well, Mr. Speaker, a supplementary: Is the minister aware that the group of highway workers that met in Gander over the weekend were severely critical of the minister's department for not hiring the snow clearing crews earlier than anticipated? Is the minister aware of that?

MR. MORGAN: Mr. Speaker, all the crews in my department who are normally working on Winter maintenance were notified as long as two weeks when they would be hired and when the full complement of men would be on for the Winter maintenance programme, as long as two weeks ago.

MR. SPEAKER: The hon. member for LaPoile (Mr. Neary).

MR. NEARY: Mr. Speaker, a question for the hon. the Premier. I am glad to see him back in his seat today. Would the hon. the Premier tell the House what action he has taken on the representation from the developing visual arts in connection with the arrangements over at the Arts and Culture Centre being placed under the Director of Cultural Affairs in the Province? What is the Premier going to do about this situation?



MR. SPEAKER: The hon. the Premier

HON. F.D. MOORES: Mr. Speaker, for the cultural critic on the other side of the House I would gladly reply that -

MR. NEARY: What is that?

MR. MOORES: - or the critic with culture, if you prefer.

MR. NEARY: It is only a question. I am not a critic.

MR. MOORES: Mr. Speaker, with all due respect, Sir, the subject is under intensive scrutiny at the present time and together with my colleague, the Minister of Tourism, we will be making our definitive policy known in the very near future.

MR. SPEAKER: The hon. the member for LaPoile.

MR. NEARY: Mr. Speaker, I would like to put a question to the Minister of Tourism, Sir. I wonder if the Minister of Tourism could inform the House whether or not the Norma and Gladys had a C.S.I. certificate, if she had been inspected by the Transport inspectors before she made her departure for Japan?

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

MR. HICKEY: Ah! Mr. Speaker, I wondered how long I would wait for another surfacing of this issue, but let me just say as I have repeated in this House, I think about ten times last year, that the vessel did not require to be inspected or given a C.S.I. certificate inasmuch as the vessel does not carry freight and does not carry passengers except the crew. I suppose they could be considered as passengers to a certain extent.

However, Mr. Speaker, there is no doubt, there has never been any doubt, there is no doubt today, that there is anything wrong with that vessel, that the vessel in any way is anything other than seaworthy. Possibly to allay whatever fears might be left - I did not think there were any, but in case there are - we have something aboard that vessel which is much better than a C.S.I. certificate, and that is a gentleman who was born and raised - a captain at age nineteen - in Grand Bank, went to the Grand Banks for years, is a master of, and has been a master of one of the largest ocean going tankers - got his experience on this kind of vessel, the same as the Norma and Gladys, left his position, or got leave of absence to captain this vessel, to sail her around the world. Now I do not know what more proof, Mr. Speaker, anyone would want as to seaworthiness than that.



MR. NEARY: Mr. Speaker, a supplementary question: Would the minister then tell the House if this gallant captain and his crew are covered under the Workmen's Compensation Plan in the Province or if they are covered by insurance of any kind, and if the schooner herself is covered by insurance with Lloyd's or any other company? Or can she be insured, because the minister refused to have the C.S.I. certificate issued before the ship sailed?

MR. HICKEY: Mr. Speaker, first of all, to set the record straight, I did not refuse - in fact we tried desperately because of some people, including my hon. friend - to have the vessel inspected, and no one would inspect it because it is impossible, as I said, to have a C.S.I. certificate issued to a vessel that does not carry freight or passengers - that is number one.

Number two the vessel is and has always been insured through Lloyd's of London, which again speaks for the seaworthiness of the vessel. The vessel is insured for a half million dollars, Mr. Speaker. That is not too bad for a vessel that was purchased for \$18,000, I think again which speaks for the seaworthiness of the vessel. I am not quite sure and I cannot answer the hon. gentleman with regards to compensation but I will certainly endeavour -

MR. NEARY: Mr. Speaker, are the crew covered under this insurance.

MR. HICKEY: I am not sure if they are covered under compensation and I will endeavour to get that information and be glad to inform my hon. friend.

MR. SPEAKER: The hon. the member for LaPoile.

MR. NEARY: Mr. Speaker, a supplementary question to the minister: Would the minister care to table any correspondence between his office and the Canadian Steamship Inspection Branch of the Department of Transport in connection with this certificate that the vessel is supposed to have?

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

MR. HICKEY: Mr. Speaker, I do not see the necessity of tabling that information. If the hon. gentleman has anything in mind, if he has a question with regards to it, I will be glad to field any questions he has, but I am not going to come and table everything I do here, Mr. Speaker. This House is going to be rather cluttered up if every minister is going to

table every piece of paper he is involved with.

MR. NEARY: Well look, Sir, let me be a little more specific with the minister. Did the minister at any time indicate to the Canadian Steamship Inspectors that the Norma and Gladys was a private yacht, classed as a private yacht to avoid the Canadian Steamship inspection?

MR. HICKEY: No,

Mr. Hickey:

Mr. Speaker, We asked the Marine Department, the Marine Division of M.O.T. in the Province to inspect the vessel. The M.O.T. people came back and informed us that they do not inspect vessels of this type which are classed as more of a yacht rather than anything else because they do not carry passengers and freight.

MR. SPEAKER: The hon. Member for Fogo.

CAPT. WINSOR: Would the hon. minister state whether the vessel was surveyed by or inspected by Lloyd's? You know, who had control of the vessel? After all there is a crew on board, and they too are entitled to some kind of guarantee - or not guarantee, but as far as possible to ascertain that the vessel is seaworthy.

MR. HICKEY: Mr. Speaker, there is nobody any more conscious of the fact that there is a crew aboard than I and have been from day one. I can tell my hon. friend that, yes, the vessel was inspected almost daily, certainly weekly. Every change and every bit of refurbishing of that vessel was supervised by a Lloyd's representative, a man who has all the expertise and who was certainly more than well qualified, Mr. Harvey, a man who has spent his entire life dealing with shipping and in more particularly dealing with vessels of this type, wooden vessels, having worked for the Provincial Government or having worked for - yes, having worked for the Provincial Government initially, the small boats Division of Fisheries, and from there he is also a marine architect, and, Mr. Speaker, certainly it is impossible to find anyone with more qualifications than Mr. Harvey. He supervised the entire project.

MR. SPEAKER: Before I recognize the hon. member, I would wish to draw to the attention of all hon. members the rule that a question must not multiply with slight variations, a similar question on the same point. I say that so that, and I have no way of knowing if there are further questions on the Norma and Gladys that particular rule will be borne in mind. The hon. Member for Fogo.

CAPT. WINSOR: Mr. Speaker, you know, I have lost my train of thought. However I will direct a question to the hon. Minister of Fisheries. Has the minister been informed that there is some interference with

Capt. Winsor:

the fishermen at Random Island by outsiders, Norwegians and fishermen from other provinces, fishing close to land in that area?

MR. CARTER: Random Island?

CAPT. WINSOR: Random Island, yes.

MR. SPEAKER: The hon. Minister of Fisheries.

MR. CARTER: No, Mr. Speaker, I have not.

MR. SPEAKER: The hon. Member for LaPoile.

MR. NEARY: Mr. Speaker, can the hon. minister tell the House if he has had any complaints from Trinity Bay in connection with interference from foreign druggers?

MR. SPEAKER: The hon. Minister of Fisheries.

MR. CARTER: No, I have not.

MR. NEARY: Well it could be. Trinity Bay is a big area, you know.

PREMIER MOORES: So is Random Island.

MR. NEARY: Yes, right.

PREMIER MOORES: The same bay.

MR. NEARY: Well, Mr. Speaker, if the Premier is so anxious to answer questions could the Premier tell the House whether he has a new car on order and is it true that it has bullet proof glass, or dome over it?

MR. SPEAKER: The hon. the Premier.

MR. F. MOORES: Mr. Speaker, with all due respect it is not bullet proof is the problem with the hon. Member from LaPoile, it is some other type of proof that we need.

MR. NEARY: Mr. Speaker, the Premier did not answer the question if he has a new car in order or not, but, Sir -

MR. SPEAKER: Order, please! The hon. gentleman knows that he cannot comment upon a minister's, the Premier's, or any minister's -

MR. NEARY: Sir, would the hon. -

MR. SPEAKER: Order, please! - refusal to answer a question, and to comment on it would be out of order. The hon. Member for LaPoile.

MR. NEARY: Mr. Speaker, I wonder if the Premier could tell the House now is it the intention of his office or the government to cancel youth conferences in view of the fact that the recreation and

Mr. Neary:

youth programme for the Province has been scrapped in the austerity programme?

MR. SPEAKER: The hon. the Premier.

MR. MOORES: Mr. Speaker, the youth conference was held on Friday and Saturday. It is not the intention of the government to cancel youth conferences because of the recreation programme being deferred, in the main, on behalf of the Province. Whilst recreation is important to youth and to adults as well, the fact is, Sir, that there are other concerns. I am sure, on behalf of youth which are of material value to the government and to the people of this Province. And certainly it is not our intention to defer or cancel any contribution

the youth of this Province have to make to the government and the well-being of this Province.

MR. SPEAKER: The hon. Member for Fogo.

CAPT. WINSOR: No.

MR. SPEAKER: I thought that the hon. gentleman wished to ask a question. The hon. Member for LaPoile.

MR. NEARY: Mr. Speaker, I wonder if the Minister of Health, Sir, could tell the House whether it is still the intention of his department and the government to place all of the hospitals in Newfoundland under boards of management? And, if so, how many hospitals, you know, have been placed under boards of management, and will the rest of them be placed under boards say this year, before the end of this year or next year?

MR. SPEAKER: The hon. Minister of Health.

HON. H. COLLINS: No, Mr. Speaker, I cannot at the moment indicate the number of hospitals which have been placed under boards. I will certainly undertake to get that information. With regard to government policy in placing further hospitals under boards, there is no blanket policy in that regard. Each situation is dealt with in terms of the situation as it applies. But with regard to the number under boards I will certainly get the information for the hon. member.

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

MR. ROBERTS: Mr. Speaker, a question for the Minister of Manpower. He looks like he has been awaiting something down there. In view of the fact that since last the House met Bowaters have gone on strike in Corner Brook, could the minister bring us up to date as to efforts which he and his officials are making in an effort to try to resolve the strikes which have now closed the three paper mills in the Province? And not only are the paper mills down, but of course their woods operations are down as well.

MR. SPEAKER: The hon. minister.

HON. E. MAYNARD (Minister of Manpower and Industrial Relations): Mr. Speaker, we are very cognizant of the fact that the paper industry in Newfoundland is down but we are also cognizant of the fact that we have to try the regular conciliation procedures and we will do that throughout the next few weeks. That is the action that we will take, the action that I think the government should take.

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

MR. ROBERTS: Mr. Speaker, a supplementary: Could the minister tell us what conciliation procedures he has in mind in view of the fact that under the law of Newfoundland conciliation is a stage leading up to a lawful strike. All three of these strikes I am told are lawful and therefore surely the regular conciliation procedures do not apply. Just what does he have in mind?

MR. SPEAKER: The hon. minister.

MR. E. MAYNARD: Mr. Speaker, we have in mind the same procedures that

we have used in many other industrial disputes in the Province, and that is the way we will continue to provide conciliation services, whether it be by the people from the department or some other means. We will continue to provide that in the paper workers' strike.

MR. ROBERTS: Mr. Speaker, I thank the hon. gentleman. A further supplementary: Has the minister either directly or through the agency of his officials been in touch with the parties involved in these three strikes?

MR. MAYNARD: Yes.

MR. ROBERTS: Mr. Speaker, I am grateful for that. Could the minister be a little more forthcoming with respect to his answer. When and to what effect and with whom?

MR. SPEAKER: The hon. minister.

MR. MAYNARD: Mr. Speaker, when I say yes, we have been in contact - sure we have been in contact and I do not see any other people in Newfoundland except for the companies and the unions that we could be in contact with. The question was a little bit off base, if I might say that, with all due respects to the Leader of the Opposition.

MR. SPEAKER: The Leader of the Opposition.

MR. ROBERTS: Mr. Speaker, a further supplementary: If anybody is off base right now it is the minister. But could the minister please tell us then when his officials have been in contact, or more precisely, if he wishes, whether they have been in touch with these unions and with the companies involved since the strikes began?

MR. SPEAKER: The hon. minister.

MR. MAYNARD: seeing that I am off base, Mr. Speaker, I submit that it is none of his business.

MR. SPEAKER: Order, please!

MR. ROBERTS: Mr. Speaker, the hon. gentleman's conduct speaks for itself. But may I try a further supplementary - perhaps a question to the Premier instead of a supplementary. Could the Premier indicate whether the government are prepared to appoint, and if they are not prepared to



appoint, are they considering the appointment of industrial inquiries in these three disputes because this seems to have been the method which the government have adopted, I may add with some success, in respect of a number of other labour disputes throughout the Province.

MR. SPEAKER: The hon. Premier.

PREMIER MOORES: Mr. Speaker, the answer is absolutely no at this present time. The situation, as the hon. Leader of the Opposition well knows, is a national one. It is one where the pulp and paper industry of Canada and the unions of that industry have been set up as a particular national effort. At this particular point in time for us to interfere at a local level would be completely wrong, other than to help in conciliation and mediation and it is something that where the anti-inflation review board comes in and such questioning at this time, Sir, in my opinion, is totally irresponsible and doing no good whatsoever.

MR. ROBERTS: Mr. Speaker, a further supplementary: Based on the Premier's temperate answer, is it then the opinion of the -

MR. SPEAKER: Order, please! I direct these remarks to hon. gentlemen on both sides, right and left. I wish to remind them that the thirty minute oral question period is clearly one for asking for information and for giving information and it is not a debating period. It could well be argued that the Chair could have intervened before, but one cannot sit with a mental stop watch. I think when something tends to become apparent then one intervenes. I do not wish to be overly restrictive but I do wish to point out and it is quite clearly stated in Beauchesne and indeed others, authorities, that the purpose of the question period is to look for information and to give information. It is not a debating period, but rather an information period.

The hon. Leader of the Opposition.

MR. ROBERTS: Thank you very much,

Mr. Roberts:

Mr. Speaker, I am glad Your Honour did not cite an authority for that, because I think it is well established. My question is for the Premier, and I trust it is a temperate question, Sir, based on his temperate reply - I said temperate, Your Honour. Is it the government's view that these strikes will not be settled unless and until they are resolved on a national level? Because, as the Premier has told us several times, this is, in his view at least, a national dispute.

MR. SPEAKER: The hon. Premier.

MR. MOORES: That is not necessarily so, Mr. Speaker. We will do everything we can in our provincial jurisdiction to make sure that we do everything possible to bring those strikes to an end. As a matter of fact some of the circumstances that pertain to our mills in Newfoundland, particularly in Grand Falls, are of an extraordinary nature whereby they depend on an international market for their products, where most of the mills in Canada depend on a north-south flow in the marketing of their product. That being the case, where Grand Falls, as an example, cannot meet its orders, it means that the Scandinavian mills are more likely to fill in the gap in that case. That puts, I think, extraordinary pressure on the Grand Falls mill and the Newfoundland mills, because I think Bowaters are pretty well the same. That being the case, Sir, we have a special interest. I have already been in touch with Mr. Pepin, I have been in touch with Mr. Tittlemore and I have been in touch with the head of the unions, not in any conciliatory role, not in a mediation manner, but just to find out information to see what we can do as a government, on a very unofficial basis. And, Sir, that is basically the situation as of now.

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

MR. ROBERTS: I thank the Premier. I think now we are getting somewhere on it. Could the Premier then indicate whether he proposes to make similar approaches to the management of the Linerboard - we own Linerboard and it is as much an international product as the others - but the union acting in behalf of the employees at Linerboard and also the management and the unions involved in the strike at Bowaters?

MR. SPEAKER: The hon. Premier.

MR. MOORES: The situation is, Mr. Speaker, that in all three instances we are as anxious to get the dispute settled as we possibly can be. It is not easy, because we are caught, as I think the Leader of the Opposition well knows, in a national bargaining situation between the industry and the union - the union as opposed to unions. That being the case, the Newfoundland mills, even though they may have different circumstances as far as marketing is concerned, their basic problem in a national context is the same. That being the case, it is very difficult, but we are doing our utmost, Sir, in all three instances.

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

MR. ROBERTS: Mr. Speaker, a further question on the same subject but not a supplementary, I think. Could the minister - I am sorry, Premier, in the absence of the Chairman of the Board of the Linerboard Mill, and I am not sure whether any of his other colleagues should be the recipient of this question, so I will address it to the Premier, and he can refer as need be: Are the management of Linerboard about to make a further offer to their employees who are on, of course, a lawful strike and who are represented by the same union as the others?

MR. SPEAKER: The hon. Premier.

MR. MOORES: I will have to take notice of that question, Mr. Speaker.

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, I would like to direct a question to the Minister of Justice, Sir. In view of the fact that the minister has already made a public statement that the Carr case falls under federal jurisdiction, would the minister tell the House who gets the bond money for anyone who jumps bail in cases of this nature?

MR. SPEAKER: Order, please!

I am not sure that that question would be in order. There is reference here with respect to questions to the Minister of Justice with respect to legal matters, and it is my opinion that that question would be out of order.

MR. NEARY: Could Your Honour tell me why it would be out of order?

MR. SPEAKER: Yes, I am looking for it. I will give it to the hon. gentleman perhaps before the day has expired rather than hold up the House now, and I do believe as well that the thirty minutes has expired.

ORDERS OF THE DAY:

MR. SPEAKER: Order 3, Committee of Ways and Means, and the amendment to the motion.

The hon. member for Burgeo - Bay d'Espoir.

MR. SIMMONS: Mr. Speaker, members will recall that just prior to the adjournment on Friday, I had moved an amendment to the motion, the amendment being as follows: To amend the motion by striking out all the words after "that" and substituting therefor the following; "This House regrets the failure of the Government to disclose completely and fully the present financial situation of this Province and the government thereof."

MR. SIMMONS:

Speaking to the amendment at the time we adjourned I was making the point that I feel very strongly, feel very, very strongly that the government and government spokesmen have not been at all levelling with us, with members of the House, with the people of Newfoundland and Labrador, about the real, true financial situation in which we find ourselves, in which we have found ourselves for the past several months.

I had noted that suddenly it seemed among government spokesmen there was a great urgency to level, to come clean, to tell it as it is, to let it all hang out. I heard the Minister of Industrial Development on a television programme last week mention that he felt his administration, the administration of which he is a part, had to level with the people.

The Minister of Finance in his Budget Speech made much of the need to level with the people. What does all this mean, Mr. Speaker? Is it an admission on the part of those spokesmen for government that they have not been levelling all along, that somehow there has been something they have not been telling us and telling the people of Newfoundland? Is that what it means? Mr. Speaker, I submit that is exactly what it does mean. I submit that they have not been levelling with us.

I gave as one of many examples which I shall come to today, the example of equalization grants. I contend, Mr. Speaker, from some information that was given to me from an Ottawa source back last March, and therefore that information was equally available to persons assisting the Minister of Finance in the compiling of his budget, I submit that from the information that was given to me about the amount of equalization the government could expect that the figure of \$210 million revenue to be anticipated from Ottawa for equalization grants, that figure was inflated, and that it was inflated with the full knowledge that the figure would be substantially less than that. At that time, Mr. Speaker - Mr. Speaker, the Minister of Transportation may not find this very interesting. He may find it all a big joke because at that time, Mr. Speaker, he was not party to it. We have to say that for him. He had not then forced

his way into the cabinet. But he is there now, Mr. Speaker, for what reasons we all know. But, he was not there at the time. So I cannot hang this one on him yet, Mr. Speaker. I can appreciate that he does not find the subject particularly serious because I am not sure he understands the full implication, Mr. Speaker, of what is being said—that the government, the Minister of Finance as he then was (Mr. Earle) and others brought into this House on March 12th a set of figures that did not present the whole truth and figures which they were aware did not present the whole truth.

I repeat that last March the government could have had access—and did have access, I submit—to the same information I did, which information is not a matter of hindsight now that I cite several months after but which information I mentioned to the papers six or seven months ago. If you want to check the March 13th edition of The Daily News, or The Evening Telegram of the same date, you will find that in both papers I was quoted as saying in part that the government, I felt, had been less than honest because they had overestimated by \$10 million the amount they expected to receive from Ottawa in equalization grants. That is a statement that I made six or seven months ago on the day after the minister brought down his budget on March 12th. I did it because I had access to information which the present Minister of Finance has acknowledged is true, accurate, correct information.

I submit,

Mr. Speaker, that they knew that information then, six or seven months ago. The Minister of Finance, in some television comments yesterday, rationalized by saying, ah, Ottawa cannot tell us what we are going to get next year.

MR. DOODY: Right.

MR. SIMMONS: That is true, Mr. Speaker. I have no disagreement with him on that point. That is not the issue, Mr. Speaker. Of course, they do not know yet. There are a number of variables, and there were a number of variables this year. But the fact remains, Mr. Speaker, that in this particular year the information, much as it is now being reflected in the supplementary budget, was available to the government six months ago, not only on equalization but on a number of other sets of figures that I shall come to in a moment. They knew, Mr. Speaker. Talk about variables all you want, talk about uncertainties all you want, in this particular instance, Mr. Speaker, the government did know. The records show they did know and that is what makes the sin all the more shocking that they should compound it by going through the mockery of telling us last Spring something that was far, far from the truth -

MR. SPEAKER: Order, please!

MR. DOODY: Sit down! Sit down!

MR. SIMMONS: Thank you, Mr. Speaker.

MR. SPEAKER: Order!

I believe the hon. gentleman is out of order in making suggestions or imputations or inferences of lack of honesty on the part of any hon. member, individually or collectively. And I would point out to him that his remarks are in that direction.

MR. ROBERTS: Mr. Speaker, to a point of order. I have no intention of appealing Your Honour's ruling, but I wonder if Your Honour would be so kind as to cite a citation or reference. My reason for so



requesting is that I thought it had been well established in this House over many years that one could not -

MR. MORGAN: Speech, speech, speech!

MR. SIMMONS: Does he not have the right to be heard in silence?

MR. ROBERTS: Mr. Speaker, if the hon. Minister of Transportation would spend as much time snow clearing as he does trying to interrupt -

MR. SPEAKER: Order, please!

MR. ROBERTS: - we would have clearer roads and a better House of Assembly.

MR. SPEAKER: Order, please!

MR. ROBERTS: Now, Sir, as I was saying. It is my understanding that it is quite out of order to say at any time that an hon. gentleman, be he a minister or not, is making a statement that is designed to deceive or is untrue. I mean there have been 1,004 rulings and 2,000 people have been asked to withdraw and have. But it is equally in order to say that a statement that has been made is not a correct statement and that a statement is wrong, and incorrect. And what my hon. friend from Burgeo - Bay d'Espoir ( Mr. Simmons ) just said was that the statements in the budget were not true, and I submit that that is true. They were not true. Your Honour has a page there. It is worth settling for once and for all. Could Your Honour give us a reference please? That is all I am asking for the benefit of the gentleman from Bonavista South (Mr. Morgan).

MR. SPEAKER: My ruling was, and this refers to a ruling also made Friday, that the statement or inference or imputation of dishonesty or deceit is out of order. The hon. Leader of the Opposition has risen on a point of order relating to the Chair's ruling. I would call the attention of hon. members to Beauchesne, section 154, and section 4 and then further on, on page 130. We will start off at the top of the page. "The imputation of bad motives, or motives different from those acknowledged, misrepresenting the language of another, or accusing him, in his turn, of misrepresentation, charging him with falsehood or deceit; or contemptuous or insulting language of any kind; all these are unparliamentary and call for prompt interference." I especially point out, the imputation of bad motives. It goes on, as the

Leader of the Opposition quite accurately quoted; "It is not out of order to say that a member has obstructed the business of the House, or that a speech is an abuse of the rules of the House." It was (5) to which I was referring. "It is not unparliamentary to say that a statement is untrue, but it is unparliamentary to say that it was untrue to the knowledge of the member addressing the House." It will be seen in 155 as well that certain examples are given of expressions which are unparliamentary and it specifically states here, "and call for prompt interference." It is not a permissive matter for the Chair, it is an obligatory matter for the Chair. Now the point I wish to make is that while obviously one may say a statement is untrue, or a

MR. SPEAKER: statement is true, when one brings up the question of honesty and states or implies that a person, individually or collectively, a member of the House, is dishonest then one is in the area of commenting upon motive.

One may say that that statement is untrue and it is completely neutral whether the person knows it was untrue or does not know it was untrue. But when one comments on honesty then I suggest one is in the area of motive and when one makes a specific reference to dishonesty or lack of honesty then that quite clearly falls within the area of imputation of false or unavowed motives.

The hon. member for Burgeo-Bay d'Espoir.

MR. ROBERTS: All you said was that the statements were untrue.

AN HON. MEMBER: That is all that was said.

MR. ROBERTS: Of course they were.

MR. SIMMONS: Mr. Speaker -

MR. SPEAKER: Order, please! I hesitate to interrupt the hon. gentleman again, but I should point out that as hon. members know, and knowing is one thing and observing is another, that obviously debate on the ruling of any member who happens to be in the Chair is out of order. I would suggest that informal comment back and forth is also out of order and the rules quite clearly provide what is in order.

The hon. member for Burgeo-Bay d'Espoir.

MR. SIMMONS: Thank you, Mr. Speaker. I had hoped also in anticipating what Mr. Speaker was about to say with the latest interruption that I had the right to be heard in silence. I am aware of that but I get the clear feeling that other members of the House may not be fully aware of it, Mr. Speaker. In any event I shall press on.

The statements about equalization were untrue, whether that, Mr. Speaker, had to do with dishonesty - and I did not intend using that word - or sheer incompetence or lack of information is for all of us who judge these matters to decide. The fact of the matter is, Mr. Speaker -

MR. DOODY: To a point of order, Sir, Your Honour has already decided that these terms were not permissible in this House. I have sat here

for quite some time, Your Honour, and listen to my honesty, and integrity, the whole bit and piece being impugned and maligned by the hon. member opposite. Your Honour has given what I had considered an obligatory decision in ruling as you have done. Now my friend has neither withdrawn, Sir, nor indeed has he really gone away from the trend on which he was.

MR. SPEAKER: Order, please! The hon. member for Trinity-Bay de Verde.

MR. ROWE: To that point of order, Mr. Speaker. I think the operative word in the citations that have been made have been on page 130 of Beauchesne, section 155, subsection (3), that is charges of uttering a deliberate falsehood. Now my colleague has not made any accusations of a person deliberately uttering a falsehood or questioned the honesty of an hon. member opposite. I submit that my colleague is totally in order in what he is saying in the sense that he is not deliberately - or he is not saying that the minister has deliberately uttered a falsehood in this House.

MR. NEARY: Mr. Speaker, to that point of order, Sir, It would appear to me, Sir, that the gentleman who is speaking at the moment, the member for Burgeo-Bay d'Espoir is challenging Your Honour's ruling. That is the impression that I get.

AN HON. MEMBER: Yes. He is asking -

MR. NEARY: And, Sir, there is a procedure in this hon. House, Mr. Speaker, if the hon. member or anybody in this House wishes to challenge Your Honour's ruling there is a procedure that he or she can take and I would submit that is the point of order that my friend made and the Minister of Finance.

MR. SPEAKER: Order, please! I shall hear the Minister without Portfolio.

MR. WELLS: To the point of order, Mr. Speaker, what the hon. member is doing, his having been brought up by Your Honour, is simply now inviting the House to consider whether or not the hon. minister is guilty of some dishonesty. He has not left the subject matter which he was stopped from carrying on with and he is attempting to do by innuendo what he was told by Your Honour not to do and it is, Your Honour, completely out of order in this House.

MR. SPEAKER: Hon. members on various sides have had their contribution to make in the argumentation and I have listened with interest to their submissions. The specific reference cited by the hon. the member for Trinity-Bay de Verde refers to subsection (3) of 155 Beauchesne, charges of uttering a deliberate falsehood and that being out of order. However, my ruling was based upon section 1 of 155,

MR. SPEAKER:

the imputation of false or unavowed motives. I stated then and I will state now that to infer dishonesty, to suggest it, to raise it in a hypothetical manner with respect to any hon. member individually or collectively, collectively being to infer it toward the government, collectively being also to infer it toward the Opposition or any caucus, that this is in my opinion the imputation of false or unavowed motives. A lack of honesty can be nothing but that.

I am now directing the hon. gentleman to withdraw any aspersion or imputation of lack of honesty which he previously made and would certainly hope that that will be the end of the matter and the hon. gentleman will then be able to continue with his speech without further interruption. I think it is necessary that he withdraw any imputation of unavowed or false motives.

MR. SIMMONS: Mr. Speaker, I withdraw without qualification. I have now done so, Sir, for the second time. Had the Minister of Finance been listening, that was the first statement I made after your interjection of a couple of moments ago, that I had not intended to impute any dishonesty. I then went on to ask other matters that at the moment have not been ruled unparliamentary, matters relating to incompetence, relating to a lack of information at the time the budget was prepared, and these are the comments I was making, Mr. Speaker, at the time I was interrupted.

So, I repeat them, that you know, was it a lack of information? Was it sheer incompetence on the people who contrived or compiled the budget? Whatever the reason, Mr. Speaker, I cannot stand here and say that something is true when I have evidence to the contrary, when I know now as I did last March that the figure, the projected figure of \$210 million was a false figure. It was not a true figure to the best of my information, information which has since been documented, has been substantiated by the Minister of Finance himself who stands here a couple of days ago last Monday, a week today, and tells us that the information was indeed untrue. I said that last March, Mr. Speaker, and I said it on good authority. Time has proven that I was right on that particular occasion. The information is not true, untrue information that we were given in respect to equalization grants,

and as I proceed, I will indicate that in other areas information which is not the truth.

Mr. Speaker, I will find ways to say it after a while. They do not want to hear it. They can continue to interrupt. But I will find within this narrow list of words that one can use I will find the words that convey what I want to say, what I want to say and say as strongly as I know how, that I am very upset as a member and as a citizen and as a taxpayer that we find ourselves in the situation where we are not getting a true picture of the financial mess in which we find ourselves in this Province. That disturbs me. It upset me, and I want to know why. Why is it we should be put through this charade, this nonsense, this mockery?

We have a situation where we cannot even rely on a budget to tell us where we are as a group of citizens, as a Province. The discrepancy, Mr. Speaker, in the equalization grants is only one of many other discrepancies. Let us look at the salary figures, Mr. Speaker, which the minister mentions. (I will get a budget in a minute. I believe I left mine outside.) We look, Mr. Speaker, on page 3 of the Fall budget, the real budget, not the mini budget but the real budget. It is called the Fall budget. If we look at page 3 of that, the minister goes through some explanations, last paragraph but one, he says:

"The 1975 budget provided approximately \$45 million to allow increases, etc., \$45 million. If you check the figures for the preceding financial year, you will find that \$250 million was paid out, \$250 million paid out in salaries, \$250 million



MR. SIMMONS:

plus \$45 million would give you \$295 million and that figure, Mr. Speaker, \$295 million - if you add up all the subheads that are appropriate to this item - \$295 million was the amount that the government initially budgeted in the mini budget of last Spring, in the March budget, \$295 million. Now if you come to the top of the next page, page four, the minister says that the settlements were another \$20 million in excess of what was planned in the original budget, \$20 million in excess. You add your \$20 million to your \$295 million, you will come up with \$315 million, not \$345 million. Or to go about it another way lest somebody think I am playing with figures, the minister on top of page four admits that the overrun was \$65 million, \$65 million, not the overrun but the cost difference with the preceding year was \$65 million. But once again if you take your \$65 and you add it to \$250 million, the budget figure for the preceding year, you could only get \$315 million. You cannot get \$345 million. Now we are down somewhere \$30 million on salaries that the minister has not accounted for. Why? The figures I have gone over every way I can. I have had others go over it. The figures do not explain themselves, Mr. Speaker. I would hope when the minister closes the debate he will address himself to this one because there is \$30 million missing there, or if not missing - let us put it another way. Either we are missing \$30 million or the minister is not telling the whole truth about how much they overran on salary settlements. Because the truth of the matter is, if you take the \$250 million of the preceding year -

MR. SPEAKER Order, please!

MR. WELLS: On a point of order, Mr. Speaker. To say that the minister is mistaken, Mr. Speaker, is one thing. But again to come back to this same question - and I am sorry, I do not want to beat it to death - but to say that the minister is not telling the whole truth you come right back to an imputation of dishonesty. It is quite a different thing.

MR. SIMMONS: Okay, Mr. Speaker, to the point of order. To the point of order, Mr. Speaker. That was not my intention and I withdraw that. I -

AN HON. MEMBER: You cannot keep withdrawing.

MR. SIMMONS: Mr. Speaker, of course I can keep withdrawing if I say things that are unparliamentary and I intend to do that.

MR. SPEAKER: Order, please! Order, please! Order, please! As I understand it the hon. gentleman has withdrawn the remark to which the Minister without Portfolio took exception and it has been withdrawn and the hon. gentleman

MR. DOODY: Mr. Speaker, may I -

MR. SIMMONS: There is no point of order!

MR. SPEAKER: Order, please! I think the hon. minister is up on a point of order, I believe.

MR. DOODY: Mr. Speaker, my point of order is simply this. There must be a limit in this House of Assembly or in any organized gathering where a limit is reached where a member can hurl insults or imputations or allegations or innuendoes across the House at another hon. member and as soon as he is brought to order by Your Honour withdraws and then goes merrily on to another and says the same thing. I do not pretend to be that familiar with the House rules, Sir, but I do know that I came into this House and into public life with a decent, honourable reputation and I have every intention, Sir, with your protection, of leaving public life the same way. I ask for the protection of this House.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. member from Trinity-Bay de Verde.

MR. F. ROWE: To that point of order, Mr. Speaker. There is nothing in the Standing Orders nor Beauchesne that suggests that a member cannot say that something is untrue or something is false. Any reference whatsoever to something being said which is untrue or there is a falsehood is in section (155) of Beauchesne, subsection (3) which simply says that charges of uttering a falsehoods, that is unparliamentary.

And my colleague, Sir, has never said in the speech up to this point that I have heard that the minister has said something deliberately that is untrue or deliberately said something that was untrue or deliberately uttered a falsehood. So I submit, Sir, that my colleague is totally

in order in suggesting that a minister said, or if he indeed said that, if the minister said that something was untrue it is quite parliamentary as long as he does not say that it is deliberate, that the minister deliberately uttered a falsehood or something that was untrue. And that is the operative word in this whole section here, deliberate.

And if the minister -

MR. NEARY: Learn the rules.

MR. SPEAKER: Order, please!

MR. ROWE: I do not need any help from the member from LaPoile

Mr. Speaker. I submit my colleague is in order and the point of order raised by the minister is not a point of order, Mr. Speaker.

MR. SPEAKER: Order, please! It is very hypothetical whether in fact there is a point of order before the Chair.

An exception was taken to a remark made by the hon. member for Burgeo-Bay d'Espoir.

MR. SPEAKER:

He then retracted that remark. He has withdrawn it. The matter is therefore disposed of. I am not aware of any other point of order before the Chair. The hon. member for Burgeo-Bay d'Espoir.

MR. SIMMONS: Mr. Speaker, before continuing I would like to rise on a point of order myself. The Minister of Finance was just down there addressing himself to what he called a point of order. He inferred that I was using innuendo to get at him and other members on his side of the House. Now, Mr. Speaker, I do not think he is allowed to assign these motives to me. He is assigning false motives which I do not intend, and I submit, Mr. Speaker -

MR. DOODY: I will withdraw it, Mr. Speaker -

MR. SIMMONS: - that he be asked to withdraw that comment.

MR. DOODY: I will withdraw it, Mr. Speaker.

MR. WELLS: Mr. Speaker, we are now playing with words. This is an entirely spurious point of order which is not a point of order at all. In other words what the hon. member is saying that a man on this side of the House cannot get up and attempt to make a point of order when it is something that is being said which directly involves his reputation without himself infringing the right of another member, and this is patently nonsense, Your Honour.

HON. MEMBERS: Oh, oh!

MR. DOODY: If there is any point, you know, I will withdraw it if I have said anything that is unparliamentary. I would much rather get on with the business of the House.

AN HON. MEMBER: Hear, hear!

MR. SPEAKER: Order, please! Therefore there is no need for any further ruling, the hon. gentleman has withdrawn anything that would be required of him to withdraw. The hon. member for Burgeo-Bay d'Espoir.

MR. SIMMONS: Mr. Speaker, thank you. I think we have demonstrated and it can go on from both sides, can it not? in case the minister is interested, how long things can go on.

I was making the point in reference to pages three and four of the present budget for the year, the Fall budget, the real budget, that somewhere \$30 million is not accounted for in the figures. If you add

MR. SIMMONS:

them all up, the second last paragraph on page three and the first two or three lines on page four, there is not a complete accounting of it, Mr. Speaker. Either there is \$30 million not accounted for or else the minister is not telling us that the differential, the difference between the 1974-1975 figure, and the newly projected 1975-1976 figure is not \$65 million as he says on top of page four, but \$95 million. Mr. Speaker, what I meant to say just now is that that is obviously not the full truth, there is something there that we are not seeing, there is something there that should be in. There should be an extra sentence or two explaining that, where the other \$30 million is, it is a fair amount of money, almost three times the government's projected deficit. Where is the \$30 million? It is not accounted for in any shape or form in the budget document that I can find.

MR. DOODY: That is the difference!

SOME HON. MEMBERS: Oh, oh!

MR. SIMMONS: Mr. Speaker, I admit that I operate within my own limitations. I admit that.

MR. DOODY: It is obvious to the world.

MR. SPEAKER: Order!

MR. SIMMONS: Mr. Speaker, the members on the opposite side may not find this very serious, Mr. Speaker. They may not find nothing serious at all about the fact that we have \$11 million deficit. It might be a big joke to the Premier and the Minister of Transportation and the rest of them. To me I would like to know where we are going to get the \$11 million, and I would like to know why we do not know any more than we do about that \$30 million on salary account. That is what I am asking. If that is funny, laugh at it fellows, laugh at it all you want. If that is their best comprehension, Mr. Speaker, of the financial mess we find ourselves in, let them laugh all they want. I cannot find anything to laugh about.

MR. DOODY: I will tell you all about it -

MR. SIMMONS: I am asking some serious questions.

MR. DOODY: Get back to it. I will tell you all about it when we get into it.

SOME HON. MEMBERS: Oh, oh!

MR. SIMMONS: Mr. Speaker.

MR. DOODY: You had a bad weekend did you?

MR. SIMMONS: The minister has all bad weekends. Mr. Speaker, do I have to listen to that muttering from the so-called member for Bonavista South?

MR. WHITE: Take it easy.

MR. SIMMONS: Do I have to listen to that all of the time or do I have the protection of the Chair that I have the right to be heard in silence without these useless, childish babblings from the other side of the House?

MR. SPEAKER: Order, please! Several days ago I pointed out, and I said specifically at the time and that was during the speech of the hon. Member for LaPoile (Mr. Neary) where there was quite a bit of give and take, I pointed out that every hon. member has the right to be heard without interruption. I went further and stated that it may be apparent to me that an hon. member is yielding that right and is inviting participation or questions or brief comments or give and take. There is no question of his right to speak without interruption but such a member may voluntarily not wish to exercise that right and invite or encourage participation. The reason I pointed it out at the time is so that there would be no precedent contrary to the rule that any hon. member has the right to be heard without interruption.

MR. SPEAKER:

The case today is quite different from the former day, and the hon. gentleman has made it quite clear that he does in fact wish to speak without interruption. Having made that quite clear, then obviously hon. gentlemen do not have the right to interrupt him.

The hon. the Premier.

MR. MOORES: Mr. Speaker, a point of order. Could you give us a ruling on what happens when the hon. member as he does so frequently starts to speak to himself?

MR. F. POWE: I submit, Mr. Speaker, that that is not a point of order and it needs no ruling.

MR. SPEAKER: The hon. member for Burgeo-Bay d'Espoir (Mr. Simmons).

MR. SIMMONS: Thank you, Mr. Speaker.

I never cease to be amazed with the profoundness of the Premier's comments. Mr. Speaker, if I mentioned - up she comes. I hate to disappoint the Premier waiting there is such anticipation, Mr. Speaker. All I have are some other items of information which I believe the Minister of Finance may be well able to tell him anyway. He indicates that he knows where the discrepancy is on the salary figures. What I want to know is if he knew about the discrepancy, why did he not tell us about it in the budget? If he knew where that \$30 million was, why did he not mention it?

While we are on that subject, Mr. Speaker, let us talk about sales tax which he mentions on page 6 of his budget document, the Budget Speech. Now, I cannot, Mr. Speaker, for the life of me, nor can others that I have discussed this with, see how the minister can muster such optimism with respect to projected figures on retail sales tax. I rather from doing a bit of figuring that the Spring budget, the mini budget of March, was predicated so far as sales tax is concerned on a growth of about 14.5 per cent increase in tax yield of about 14.5 per cent.

Since then, of course, we have had some indications that the retail sales is not up to the extent that it was anticipated in the Spring. Indeed the government flash sheet prepared by the government's own people indicates that as of the end of August - or, I am sorry the end of June, the retail trade had only grown by 11.6 per cent. If you



check subsequent figures - I have one here also for the period ending August. The retail trade has grown by 11.7 per cent for the first eight months of the year, the calendar year that is. In view of the growth, 11.6 per cent, 11.7 per cent, substantially less than that which is anticipated in the Spring budget, I wonder how it is the minister can project a 27 per cent increase in tax yield, this 27 per cent without any reference to the extra two points he adds to the tax.

He projects on page 6, to take the figures separate which I shall not the moment, he projects an increase in tax yield from a previous fiscal year to the present one of 27 per cent. Now, Mr. Speaker, that just is not possible because where you are dealing with a straight percentage across the board, in this case 8 per cent before the two is added, if your retail trade grows by 8 per cent you can expect your tax yield to grow by about 8 per cent. You cannot expect your tax yield to be up 27 per cent if your retail trade, according to government figures, is only up by just over 11 per cent. There, Mr. Speaker, I submit is another blatant discrepancy that needs explanation. It not only needs explanation, Mr. Speaker, but there is an implication there, the implication being that if these figures are inflated figures, are not the real figures, if the Fall budget is projecting dollars that will not come into the treasury, then it means, it can only mean that there is a short fall.

There is some more money even over and above the \$11 million that the minister admits to in his deficit figure. There is even more money that we cannot expect to come into the treasury, so that we can expect the deficit will be even beyond, higher than the \$11 million.

Mr. Speaker, so far in giving examples I have mentioned the equalization grants of last Spring and the discrepancy that there has been there. I have mentioned the salary figures on page 3 of the document, and I have mentioned the sales tax. There are other examples as well if we were to go through the budget.

Mr. Simmons:

Page ten of the budget, the second paragraph, makes reference to the borrowing requirements. I meant to have a copy of last year's budget with me but in any event if you were to check it, you would find that the borrowing requirements indicated in the March budget were \$203 million and so many hundred thousand, I believe \$203,400,000 or something of that - is that the actual figure, \$203,400,000?

Members will recall that when the then Minister of Finance brought into the House a resolution relating to the borrowing requirements that he went for an amount that was substantially in excess of \$203 million, and we on this side objected to that fact, because the budget indicated that the borrowing requirement would be \$203,400,000, no more and no less. And that is what we are prepared to support.

Now then the minister on last Monday says, the total borrowing requirements in 1975-1976 will be reduced by \$21 million from a projected \$243 million to \$222 million. Mr. Speaker, there is nothing incorrect, there is nothing inaccurate, there is nothing untrue in that statement. But once again, Mr. Speaker, it falls short of giving the whole truth. It comes somewhere short of telling the real picture as it is, and only a careful reading will make the reader realize that the word 'projected' refers to the government's projections since the budget was brought down last Spring, the projections which spelled gloom and doom, in which they were going to have a great deficit of \$30 million or \$40 million or whatever. That is the projection the minister is obviously talking about when he says, a projected \$243 million would have been required, the borrowing requirement. That is what he is talking about. What he does not bother to point out, Mr. Speaker, to his listeners or to the people of this Province, is that the initial borrowing requirement and that which was approved last Spring, is not \$243 at all but \$203 million. And instead of bragging that our borrowing requirements are down -

MR. DOODY: They are down from what they would have been.

MR. SIMMONS: Oh, yes. Mr. Speaker! Oh, yes, Mr. Speaker!

... what they would have been. I am going to buy a Cadillac for \$10,000. and then I changed my mind and decided to buy a Volkswagen for \$3,000, so I save myself \$7,000.-

MR. DOODY: That is exactly what we are dealing with.

MR. SIMMONS: \$7,000 I never had to save, Mr. Speaker. That is the kind of reasoning we got in this statement right here. Why did not the minister say it as it is and say, Mr. Speaker, point out, that this budget, the mini budget of last Spring says that the borrowing requirement, the approved borrowing requirement, approved by this House, was not \$243 million but \$203 million and that the total borrowing requirement now is not reduced by \$21 million but it is up by \$19 million, up from the approved borrowing requirement of last Spring. That is the true picture, Mr. Speaker.

MR. DOODY: If the hon. member wants to use the index it is in there. Look!

MR. SIMMONS: Mr. Speaker, I have already conceded, I have already said that I find nothing inaccurate in this statement, and there is other documentation elsewhere in the budget as the minister just pointed out which supports the truth of the statement he put here. I am not disputing that at all, Mr. Speaker. I am saying that to put the following statement in is to leave the impression that somehow we are better off and the statement is this, Mr. Speaker: The total borrowing requirements will be reduced. It is true to say that they are reduced from what they would have been had the government continued on its spending spree. That is true. I have no argument with that, Mr. Speaker. But the implication there is that somehow we are better off. We are not better off, Mr. Speaker. We are \$19 million worse off, \$19 million worse. And that is not by implication at all, Mr. Speaker. That is the fact of the matter. Last Spring a \$203 million borrowing requirement was approved and here we hear the minister saying the borrowing requirement has been reduced.

MR. SIMMONS: Reduced from what they would have been. I concede. But let the word also go out that they have been increased from what was approved originally from \$203 million to \$222 million, They have been increased, not reduced by \$19 million. And, Mr. Speaker, if the government is all caught up in this great urge suddenly to level with the people, let them go all the way, and let them tell the people of this Province the real position, the real debt position in which we find ourselves, a debt position that is worsening by the day, a position that has gone from \$700 million when this government took office to \$1,800,000,000 as a result of this Fall budget. If they are going to level, Mr. Speaker, let them really come clean and let them point out all the implications of what we are now getting ourselves into with this Fall budget.

This brings me, Mr. Speaker, to another discrepancy which I feel occurs in the budget; the whole matter of what the real deficit of the Province will be as of March 31, 1976, what will the real deficit be? Will it be \$11 million as the minister says it will be?

MR. DOODY: You cannot predict it down to the last cent.

MR. SIMMONS: Mr. Speaker, I can appreciate that the minister cannot be a prophet, that he cannot know exactly for sure how this is going to turn out, that there are other circumstances that may intervene. I am not talking about that kind of thing. I recognize that what we have before us are estimates. I hope for the sake of the Province they are high estimates, they are accurate on the one side but at the same time that if anything they are over-inflated as far as expenditures are concerned, that we will not get ourselves into a worse debt position than is projected. That is my point, Mr. Speaker. I am wondering, and with some good reason, I am wondering whether the \$11 million is a fairly accurate guesstimate of what the deficit will be. I have indicated already that I feel strongly, based on some information I have been looking at, that the sales tax yield is somewhat inflated in the budget and I am somewhat concerned that the government can find it possible to expect the tax yield that is mentioned in this Fall budget.

So far as I can understand from talking to some people on the subject, there may well be a considerable short fall there, that the tax yield may not be nearly as large, not nearly as large by millions of dollars, by that I mean a couple or \$ 3 million, not nearly as large as is projected in the Fall budget.

Mr. Speaker, I believe the true deficit, when we have the hindsight to look at it, is going to be well beyond \$11 million. I believe that figure is out by several million dollars. Is it not the real truth, Mr. Speaker, that the government has decided to let us down a bit gently, tell us half the bad news now and the other half in the budget next Spring? Is that the truth of the matter?

MR. ROUSSEAU: Half the good news now and half the good news then.

MR. SIMMONS: There is no good news, Mr. Speaker, in this budget. Do not let the Minister of Forestry and Agriculture be fooled on that one. His colleagues might have convinced him that this was good news but this is very bad news, no matter where you live in this Province, nothing only bad news. Do not tell me that there is anybody jumping in the streets over an extra two per cent sales tax. Do not tell me that they are jumping in the streets because they are going to have to pay a couple of extra points on their income tax next year, Mr. Speaker. This is all bad news from the word go and I hope the Minister of Forestry and Agriculture has not been fooled on that point. There is no good news in this budget, a lot of bad news.

Part of the bad news is that we are going to have a deficit this year on current account of \$11 million. Mr. Speaker, that is shocking, that is unforgiveable—\$11 million in one year - and unprecedented as well. But, Mr. Speaker, what is even more shocking is that there is a very good chance that this may not be the real deficit at all, that we have not been told the whole story here, that the figures as we have them before us now do not reflect the real deficit that we are going to find ourselves in when the next budget is brought down in respect of the 1976-77 fiscal year.

Mr. Speaker, last Spring

MR. SIMMONS:

I made a statement as to what I felt the real position was on equalization. Time has proven me to be correct on that one. I now predict that - and I do this regretfully because I wish I could predict otherwise. I wish I could predict that the deficit was not \$11 million but \$2 million or \$3 million or none. But, regretfully, I predict that the budget deficit this year on current account is going to be considerably in excess of \$11 million, I would go so far as to say in excess of \$20 million at the end of this fiscal year. As I say, I regret having to do that. It is sad to have to do it.

But I believe, Mr. Speaker, I believe that it is time to start telling the truth here about these matters and my information is that the true projected deficit is not being reflected in the budget figures we have had presented to us last Monday.

I mentioned last week and Friday in talking about this, I wondered out loud about the necessity for two budgets. Did we need two budgets really? If so, for what reasons? Where they for the reasons that the minister had given? I covered that ground. Or was it because of a decision taken last Spring to have two budgets in the same year? Mr. Speaker, I would like to know the answer to that one, and I am hoping that the minister in replying or somebody in replying for the government side, will indicate to us - if they will, perhaps they will not - Mr. Speaker, the member for Bonavista South (Mr. Morgan) keeps muttering about what a great financial wizard I am. I am no financial wizard. He knows that, Mr. Speaker. It is one of the things he does know. You see, on this one perhaps I am way out in left field.

MR. MORGAN: Do not fool yourself.

MR. SIMMONS: Oh, Mr. Speaker. Now, there is a man who could recognize a fool when he saw one, Mr. Speaker. There is a man -

MR. F. ROWE: He sees one every morning.

MR. SIMMONS: There is a man, Mr. Speaker, who should not use mirrors as often as he does. Mr. Speaker, I will explain that to the minister after.

Mr. Speaker, if I am out in left field on this business



and if I am no financial wizard - as I am not - I am just another ordinary Newfoundlander who would like to know what is going on in terms of the financial mess in which we find ourselves. I would like to have some answers. If it is a sin to stand here and ask questions, well I am a sinner. I am going to ask some more questions yet. But if I am out in left field on this and if I do not know what I am talking about, I have got some good company. I have got some company, some people who are asking the same questions and who are making the same kinds of statements I am making, and I refer you just for example to The Evening Telegram editorial of last Tuesday. They called the editorial, the mini budget. I differ with them on that. I think the mini budget was last Spring and I think the real budget is the one we have got now, but that is another issue.

But I agree with them on some points too, and I quote from that editorial of November 25, last Tuesday. "The 2 per cent increase in the provincial rate of income tax and the jump in the sales tax from 8 per cent to 10 per cent on the dollar could just as easily have been included in the March 12th budget which saw the provincial government pass the \$1 billion mark, etc. But, of course, that was not the time - and I am quoting - for 1975 was election year."

Then another quote from the same editorial. "The worst feature of yesterday's (last Monday's) attempt to put a finger in the dike was that it underlined the basic deceit of the government in earlier representing the provincial picture as being rosy and stable."

MR. HICKMAN: Mr. Speaker, on a point of order. The hon. gentleman has been ruled out of order so often this afternoon that I have lost count. The point of order simply is this, that the hon. gentleman cannot quote from an editorial using language that is unparliamentary any more than he can use unparliamentary language himself. And the use of the word 'deceit' is so unparliamentary that it does not even need to be checked in Hansard.

MR. F. ROWE: To that point of order, Mr. Speaker. The hon. member is not using the word 'deceit', he is simply quoting the editorial in The Evening Telegram and any reference to the use of newspapers

is in Standing Order 31 (d) which simply says, "Oral questions must not be prefaced by the reading of letters." So, the hon. member, my colleague is able to use and quote newspapers in any debate or any motion before the House and it is not a point of order, Mr. Speaker.



MR. SPEAKER (COLLINS) I am also reading from Beauchesne, 157, section 3 . "It is out of order to read extracts in a debate if they contain unparliamentary expressions, as no language can be heard in quotation if it would be disorderly if spoken." The extract that was read did mention the words "deceit" and as the Speaker previously ruled this afternoon on that the point of deceit cannot be made, and is unparliamentary. The member is out of order, and I would ask him to refrain from using the same expression as quoted from that page.

MR. SIMMONS: Well, Mr. Speaker, certainly I am learning as I go and I withdraw without qualification any imputation that was there. I shall have, Mr. Speaker, and I have withdrawn without qualification, I shall have to find some places where these quotations are parliamentary because I indeed want to read them to some people, The public should know these things and I will read them outside of the House. Mr. Speaker, I will try another quotation which I believe, Mr. Speaker, is parliamentary and, if not, I would invite Mr. Speaker's guidance on the matter. I know, Mr. Speaker, the members opposite do not particularly want to hear this stuff. I know it is embarrassing to them, the truth often is, Mr. Speaker. I am quoting now from another excerpt in The Evening Telegram the same date, a column by Mr. Wick Collins. In part in discussing the budget, Mr. Speaker, the columnist mentions, "I gather from Mr. Doody's budget that the government just discovered that there is such a thing as inflation. Well if the government only learned that now it must be the most stupid government in Canada and should not be allowed to run the affairs of the Province. If the government knew about inflation all along", and the rest I believe is going to be unparliamentary. He talks about concealment, and I cannot use concealment. So I will withdraw it before I use it. But it went on to say, Mr. Speaker, that if the government knew about it, but did not bring it to the attention of the public until now, and I am paraphrasing then it is guilty of something deliberate -

MR. WELLS: On a point of order, Mr. Speaker.

MR. SIMMONS: - and should not be elected."

MR. WELLS: The hon. member is deliberately trying to do what he has been cautioned by the Chair from doing all afternoon. He is under the guise now again of quoting and parphasing and playing with words trying to say that there has been a dishonourable conduct or deceit. That is what -

MR. SIMMONS: Is concealment unparliamentary?

MR. WELLS: Concealment really comes down to that, Mr. Speaker.

MR. SIMMONS: Is concealment unparliamentary?

MR. F. ROWE: To that point of order, Mr. Speaker.

HON. MEMBERS: Oh, oh!

MR. F. ROWE: Some say the word concealment is unparliamentary, and I cannot see any quotations to suggest that the word concealment is unparliamentary, therefore my colleague is simply not out of order on this particular question.

MR. SPEAKER: (Dr. Collins): Order, please.

AN HON. MEMBER: Mr. Speaker.

MR. SPEAKER (Dr. Collins): Order, please! I would like to read another extract from Beauchesne, 157, subsection 6 as follows:-

"On the 17th March, 1933, a member quoting a newspaper in debate was ruled out of order by the Deputy Speaker who said: "The rule is quite clear, that the quoting of a newspaper, an author or a book which reflects upon debate before the House, either directly or indirectly, is entirely out of order, because members are here to give their own opinion and not to quote the opinion of others.... Members may quote an article or a book stating facts, but a commentary on any proceeding or any discussion in the House, with the object of swinging an opinion from one side or the other, is out of order." And the ruling is that the quotation, the extracts from the newspaper or from the column given is a statement of opinion and not a statement of fact. So I would ask that the hon. member withdraw the reading and to desist from the reading of that particular extract.

HON. MEMBERS: Hear, hear!

MR. SIMMONS: Mr. Speaker, certainly I withdraw whatever it is I am supposed to withdraw. I withdraw without qualification reading papers and let me say without quoting anything at all that I find it equally as puzzling as others who have written on the subject, to find that a government could have been this stupid, Mr. Speaker, about this matter. And I know many of the men who make up the Cabinet and I doubt whether it is a matter of stupidity at all. I do not think, Mr. Speaker, that the kinds of discrepancies I have talked about here today are a matter of stupidity and I believe the House is owed some answers about the matters I have raised insofar as discrepancies of figures are concerned.

Mr. Speaker, the more I think about this and the fact of a second budget in the same fiscal year, the more I reflect on the statement which the Prime Minister, Mr. Trudeau, made, I believe, on the thirteenth of October, Monday, the thirteenth, about anti-inflation measures and so on, the more I reflect on the fact that a couple of days later the Premier of this Province went on television and addressed himself ostensibly to the same subject the Prime Minister had, and as I say the more I realize the fact of a second budget in this fiscal year following as it does the two statements I have just mentioned, the Prime Minister's statement of the thirteenth of October and the Premier's of the fifteenth, the more I realize that set of events, that sequence of events the more do I have to ask the question, did not the Prime Minister on the thirteenth of October conveniently take the Premier off the hook, very conveniently take the Premier and his administration off the hook and give him a tailor-made excuse for doing something which he proposed doing anyway?

PREMIER MOORES: The whole of Canada, too.

MR. SIMMONS: Ah! Mr. Speaker, the Premier talks about the whole of Canada and he tells us about how it is all without his control. I would buy that line, Mr. Speaker, I would buy it if he could in the same mouthful or subsequent ones justify unemployment in the same context.

MR. SIMMONS:

He keeps telling us unemployment is world-wide and Canada-wide. And I say to him that when we get our employment down, not only to the national average even, but down to where the next Province is, I will be fairly happy. It is easy, Mr. Speaker, to scapegoat. It is easy to throw up your hands and say, we cannot do anything about it. Of course, Mr. Speaker, we live in an international environment. We live in a situation where many of the financial circumstances are beyond our control and the economic circumstances are beyond our control and we must recognize that is a fact of life. But the sneaky, cowardly, dastardly way out, Mr. Speaker, is to say that we can do nothing, that it is all Ottawa's fault, it is all the fault of the international economy, it is all somebody else's fault. There is a very real sense, Mr. Speaker, and I am aware of it, a very real sense that we are more the victims of inflation than the creators of it. At the same time, Mr. Speaker, when I hear a Premier whose only contribution to solving the unemployment situation is to say we did not cause it, that it is here like it is all over Canada and all over the States, when I hear that kind of cop-out, Mr. Speaker, I get very disappointed in the Premier because I think it would be more to the point if he would address himself to what can be done in this Province. And I am sick and tired as a Newfoundlander of being told that we cannot do anything about 20 per cent unemployment. If it were 8 per cent like the national average or 10 or 12 per cent like some other provinces I could buy his argument. But this business of convincing the people of Newfoundland that we are forever going to be stuck with 20 per cent unemployment is irresponsible and is unbecoming

of a government minister let alone the Premier to educate the people into thinking that they are stuck with massive unemployment forever. This, Mr. Speaker, is the same Premier and the same administration which in October of 1971 promised not 10 per cent unemployment, not to reduce it to 10 per cent or 7 per cent or 6 per cent or 5 per cent, but full employment. Now when I first heard that I thought it was a bit unrealistic, and I would not hold it against that gentleman today if he only had it down to 4 per cent or 5 per cent or 10 per cent. But that individual who talked three and one-half years ago about full employment says, "Do not mind her, boys, she is only 20 per cent. There are only 40,000 Newfoundlanders walking around with no jobs. That is not bad. Blame it on the Canadians. Blame it on the federalists. Blame it on the fellows up in Ottawa. It is all all right." I say, Mr. Speaker, it is far from all right. It is far from all right.

Mr. Speaker, my resolution, my amendment, of a day or so ago on Friday mentioned to the House that we regret the failure of the government to disclose fully the financial situation of the Province. Had the government done that either in this budget, this Fall or last Spring, my motion, of course, my amendment, would not at all be necessary. A supplementary budget would not at all be necessary if the government had levelled last Spring.

He said, Mr. Speaker, they chose to present a rosy picture. Look at Mr. Earle's budget of last Spring, page 21, I believe. Now, Mr. Speaker, this budget was brought down on March 12, and any student of the Canadian or the international economic situation will tell you that what has happened since March to the economy, to inflation, is really only a matter of degree, that anybody who is at all watching the economic situation would have been quite aware that this was an ongoing thing, which was in process for at least two or three years. So what has happened since March is mainly a matter of degree only, not a startling new development. And the minister, Mr. Speaker, ought to have been aware -

that is the previous minister I speak of now - ought to have been aware of that information, that trend, in terms of inflation and unemployment and so on, and yet he tells us, Mr. Speaker, or he told us on March 12, and I quote from his speech, page 21, in concluding he says: "I have taken an optimistic approach tempered with realistic financial caution in preparing this budget," - realistic financial caution in preparing this budget, realistic financial caution.

Mr. Speaker, I can only assume that the minister, and his aides who helped him prepare this, presumably, were aware of the international and the federal situation, the national situation, when they used the expression, realistic, financial caution. As I listened to him last Spring, I could only presume that he was alluding to the prevailing situation, the economy, the unemployment, the inflation. And you must take him at his word when he says that we have tempered this with realistic, financial caution.

Then he goes on to say: "Should our forecast prove to be accurate, and at this time we have no reason to anticipate otherwise, Newfoundland faces another year of continued expansion in all areas of the economy."

I watched the Minister of Finance on television yesterday, as I mentioned, and I heard him say that he was aware for some months about the present financial situation. He did in the television item, I think, mention he was aware in June or July. He was aware in June or July, Mr. Speaker, which means that all the more do we on this side of the House and all members of this House and all people in this Province, all the more do we deserve some answers as to why the government, back in August, continued to announce fairly expensive programmes, such as the Recreation Action Programme billed at, I believe, \$2.3 million, continued to announce all kinds of water and sewer projects, continued to call tenders for road paving and upgrading. Mr. Speaker, did they do that not intending to go through with it? Is that we can assume from it?



MR. SIMMONS: Is it a case of the left hand not knowing what the right hand was doing? That the men down in the department, the civil servants were dishing out these tenders - when I say dishing out, I mean to the newspapers, tender invitations - were they doing this kind of thing without the knowledge of the Minister of Finance and the other ministers? Is that what was happening? Or why, Mr. Speaker, in the interest of efficient and responsible government, why did not the information that the Minister of Finance had that we were in serious financial straits, why did not that information get reflected in government policy? Why only now, Mr. Speaker? Did it have anything to do with the election of September 16? Is that the reason? Or was it only the Minister of Finance who had this particular information? Where was the Minister of Justice, Mr. Speaker, when all of this was going on, the very conscience of the Cabinet, when this thing was being done?

The government House Leader, or was he not - he was not on the inside then. No, that was later. Some say he is not on the inside now he is the workhorse of the government. But whatever, he was not on the inside at that particular time.

The member for St. John's East (Mr. Marshall) is not here. Of course he is not in Cabinet. But this financial situation, was not the government caucus acquainted with it or did they hear it when we did on last Monday for the first time? Knowing the members for St. John's East, who as I say is absent, knowing him as I do, and his performance in this House, I could not see him stand by idly. And perhaps that is the reason he has been calling for the financial enquiry as he has been in the papers in recent weeks.

Now, Mr. Speaker, as it happens, because we did not have all the information before, a supplementary budget is necessary. Was necessary and is necessary, necessary to undo whatever was done last Spring, undo the misinformation which we received last Spring, to put the brakes on government spending. A supplementary budget was necessary to begin the long painful process of cleaning up the financial mess in which we find ourselves. I submit, Mr. Speaker, in that respect that the financial situation reflected in the budget of last week is really only the tip of the iceberg. There is a lot more we have not heard yet. Perhaps we will

MR. SIMMONS:

get to hear it when the budget is brought down in the Spring. But I do hope for the sake of all of us and for the sake of the future of this Province that we very soon get to hear a balanced and complete story of the financial situation of this Province and of the government.

Mr. Speaker, this supplementary budget is necessary because the Tories got us into a mess. We have been told, and I have heard it both before I came into this House and after, that they were busy cleaning up the mess that the former Premier was supposed to have perpetrated on this Province. That is what we were told. We were indoctrinated into believing that somehow she was some great big mess when these boys took over, Mr. Speaker, and that somehow they were working night and day, coats off, sleeves up, knuckled right down to it, cleaning up the mess. And now, Mr. Speaker, surprise of surprise, we find they were not doing that at all. Now we find that they were overspending. Now we are told that they were out spending money like it was going out of style and they were not going about cleaning up the house at all.

Mr. Speaker, first of all I submit that the great big financial mess we heard about was not there. But it is there now. I submit, Mr. Speaker--and I was not a part of the last administration at all, I have no particular vested interest in defending it--but Mr. Speaker, truth is truth and my logic tells me that \$1800 million debt - public debt, \$1800 million - is a lot worse than \$700 million which is the mess these people found.

The Minister of Mines and Energy was going on long and hard about how shocked he was about how far in debt we were. I would like to hear him today if he were here. How shocked would he be now



that we are twice as much in debt and then some. We are not \$700 million any more. We are \$1,800,000,000. \$1,600,000,000 plus \$200 million.

MP. SMALLWOOD: Next year.

MR. SIMMONS: Yes, right. \$1,600,000,000 at the moment in this fiscal year and then another \$200 million being projected in the next year, \$1,800,000,000.

Now, Mr. Speaker, the financial mess that this Province must know about is the one that has been created in the past three and a half years by this present administration. If you want to talk about financial messes, Mr. Speaker, these people have been the experts. They have railed on and on about what a shocking mess she was in. Now they have changed their tune. Last week the Minister of Industrial Development was on a television programme, last Sunday, and he said something to the effect - and if I quote him incorrectly, he could certainly help me out on this one - something to the effect that perhaps they have concentrated too much on providing services.

So they have not been doing, Mr. Speaker, what they told us at all. They were not cleaning up house. They were not cleaning up the mess. They were out there spending it like someone else says, drunken sailors. They were out there spending it like it was going out of style. Let the word go out, Mr. Speaker, the Tory Government has got us into a financial mess, a financial mess unprecedented since the dark financial days of 1931 and 1932 when we had hand to mouth government, when every day the leader of the government sat in fear that a bank manager would show up trying to foreclose on something. Is that where we are headed for, hand to mouth government again? Are we headed for a situation that I believe the Minister of Finance alluded to in a public statement last week when he talked about the bond markets? Perhaps he could elaborate on that, Mr. Speaker. He talked about our credit rating.

But I had a feeling, Mr. Speaker - it was only a feeling - I had a feeling that perhaps this budget, one of the main reasons for it in the government's eyes is to keep our creditors happy.

MR. DOODY: Naturally you keep the financial community informed.

MR. SIMMONS: Mr. Speaker, the minister confirms it.

MR. DOODY: What is wrong with it?

MR. SIMMONS: Nothing at all wrong with it, Mr. Speaker. Nothing at all wrong with keeping our creditors happy, Mr. Speaker, as long as we do not bargain ourselves away in keeping them happy.

Mr. Speaker, some questions need to be answered. Are we now borrowing beyond our ability to repay? Is that what is happening? Are we promising - I do not want to ask that question, Mr. Speaker. I can answer that one. This government is promising far beyond its ability to deliver. Ask the people in Clarendville who witnessed the Premier cut down that tree in a great flamboyant exercise to give all and sundry notice that the hospital was going ahead.

MR. MOORES: The hospital is.

SOME HON. MEMBERS: Oh, oh!

MR. SIMMONS: Ah, Mr. Speaker, that is great consolation to the people in Clarendville, that it will be built. It will be built, Mr. Speaker, but I doubt that it will be built by this administration.

MR. MOORES: It never will be built by yours.

MR. SIMMONS: Ah, ha. That, Mr. Speaker, is not worth responding to, I suppose.

MR. MOORES: No, boy. You cannot respond.

AN HON. MEMBER: That is parliamentary now. That is parliamentary.

MR. SIMMONS: Mr. Speaker, the Premier was never accused of being an expert on what is parliamentary.

Promising, Mr. Speaker, beyond their ability to deliver. He says the hospital in Clarendville will be built. I certainly hope so, and the hospital in Salt Pond and the extension which we so badly need in Grand Falls. Many of my own constituents in Bay d'Espoir depend very heavily on that. I have visited that hospital in the last six or seven months when people were actually being accommodated as patients out in the corridors because of the want of space.

MR. MOORES: Who built the clinic?

MR. SIMMONS: Now, Mr. Speaker, we have further delays.

MR. MOORES: Who built the clinic?

MR. SIMMONS: I do not know who built the clinic. You tell me.

Mr. Speaker, as I understand - the clinic in Bay d'Espoir, yes I know who built the clinic in Bay d'Espoir. It was not this administration, Mr. Speaker.

AN HON. MEMBER: It was not?

MR. SIMMONS: No, it was not this administration. The matter was all signed, sealed and delivered, Mr. Speaker, the Bay d'Espoir clinic. Of course it was.

MR. MOOPES: It must be the first paper clinic.

MR. SIMMONS: Oh, the Premier is in a Monday mood, Mr. Speaker, a Monday mood. If you think he is in a bad mood now, you should see him on Friday, Mr. Speaker.

AN HON. MEMBER: Get on with it.

MR. SIMMONS: The clinic in Bay d'Espoir signed, sealed and delivered by the former Liberal Administration, Mr. Speaker. Well, not delivered. The thing was not finished but it was certainly under contract. Clinic or no clinic, Mr. Speaker, it is another of the Premier's famous tactics of the red herring approach. Clinics in

MR. SIMMONS: Bay d'Espoir do not provide extra hospital bed capability in Grand Falls and now this latest delay means that we must wait even a longer period for it. He says the hospital in Clarendville will be built. I hope so. I know so. The question is when, and that is what the people in Clarendville and Grand Falls and Salt Pond and Goose Bay are asking.

The fact of the matter, Mr. Speaker, it was not the fact that we have just discovered, we have known for some time that the spending of this government is completely out of control, completely out of control. And what guarantee do we have now that we will be brought back into control, that is what concerns me. We cannot undo what has been done. What about the future? What about the rest of this fiscal year and the following fiscal year? Yes, I can see this budget was necessary but let the record show why it was necessary, not because of inflation but because of mismanagement, not because of conditions which exist external to this Province but because of the bungling of this administration within this Province. That is why we need a second budget this year.

I do not mean, Mr. Speaker, mismanagement from the standpoint of misappropriation of funds or that kind of thing. I would not want that to be imputed. That is not what I am talking about. I am talking about the kind of thing I alluded to earlier, cooking the books if you would like to call it that, giving a rosy picture -

MR. WELLS: Mr. Speaker, "cooking the books" is a phrase which in our society has the clear imputation of dishonesty and I would ask, Mr. Speaker, that that be ruled out of order and that the hon. member be made to withdraw it.

MR. SPEAKER: I would request the hon. member so to withdraw. I do not have at hand a reference to that particular phrase but I do take it that that is unparliamentary.

MR. SIMMONS: Well, Mr. Speaker, that one I withdraw also. I was of the impression - I have withdrawn it without qualification - and in defense of self I was of the impression that the Leader of the Opposition had used it in debate sometime last week and it was in that context that I used it.

MR. SIMMONS: But I have withdrawn it. I have withdrawn it without qualification. I have said that I feel strongly that the government projected a rosier picture than was realistic. I have demonstrated, Mr. Speaker, I have demonstrated that revenues were overstated, and I have demonstrated that expenditures were understated. I say it was done in the interest of presenting a picture that was unrealistic. The Minister of Finance himself has said that the budget of last Spring was unrealistic and on that I concur with him.

Mr. Speaker, as I was saying a moment ago I think it is important for the future, We cannot undo what has been done but so that we have a lesson to go by for the future I think it is important to see how the Tories got us all into this particular mess. As I said I do not think it would be wise nor would I want to suggest, because I do not feel it, that there has been any mismanagement from the point of view of misappropriation. But I think the mismanagement that I am talking about comes from an election year desire to present a rosy picture and to allow themselves to do that, Mr. Speaker, to overstate revenues, to understate expenditures, I believe is unforgiveable and I hope we have seen the last of it.

Mr. Speaker, what puzzles me about this matter of overstating the revenues and understating the expenditures is why? Why? There are all kinds of documents and I would be prepared to give them to the minister but I think he has them, all kinds of documents which will demonstrate that the various figures to which I have alluded, retail sales tax, income tax yield, equalization grants and others, the figures on which I have based my conclusions, those figures were

all available on or before April 1 of last year before the beginning of the present fiscal year. Now, if the government says that they did not know of the existence of those documents, well that is nothing short of an admission of complete incompetence on the part of the government.

Mr. Speaker, it is clear to me that the Tories have played games with the financial resources of the Province. The implications of our current financial situation are going to be with us for a long time. We are going to live to pay for it. We are going to live to regret and to pay for and to have to suffer out the consequences of this deficit, be it \$11 million as the minister says or \$20 million or so as I say. The implications on our economy will be long and very negative.

I think it is fair to say, Mr. Speaker, without getting too partisan that this latest exercise of the two budgets and the reasons for them is just the latest example of they this government has such a lack of credibility in the Province. So, Mr. Speaker, let us, all of us, let the word go out you really cannot believe a Tory, you really cannot believe a Tory. Mr. Moores - I am sorry - the Premier, -

MR. DOODY: The hon. the Premier.

MR. SIMMONS: - the hon. the Premier announced just days, I believe, before the election that everything was all go for Come By Chance, not a worry in the world boys, full speed ahead. And then, just a few days after the election when we heard the news about the financial troubles Mr. Shaheen was having with reference to Come By Chance, Mr. Moores comes out and levels again. Oh! I knew that all along, he says, we have been in discussion for a long time about that. Mr. Speaker, I am having difficulty knowing -

MR. MORGAN: That is nothing new.

MR. SIMMONS: Ah ha! Not as much difficulty as the member for Bonavista South is having, Mr. Speaker. I would not wish that kind of difficulty on anybody. Mr. Speaker, I am having difficulty

MR. SIMMONS:

knowing how the Premier could wear so many caps and can make so many conflicting statements. There must be an explanation for it somewhere. On the one hand, a few days before the election he says in reference to Come By Chance, "Everything is go ahead, I have been talking to Mr. Shaheen. We are going to have the expansion to the refinery. Do not worry about it boys. She is full speed ahead." And a few days after when it becomes public that Mr. Shaheen is involved in some financial problems-we hear the Premier saying, "Oh, I knew about that all along. I have been discussing it with them." Mr. Speaker, this is just one of two or three examples where it all does not jibe. There is something that we are not being told and I wish in the interest of good government, in the interest of leveling with the people, something which we are told these fellows want to do, Mr. Speaker, I wish in the interest of all that somebody would explain it to us.

We can talk about the Lower Churchill again if we want and we will have an opportunity to do so at some more length a little later on. But just in reference to the government's record to date on this matter, the budget supplement of last Spring, said that the present construction schedule visualizes full project commitment in October of this year. And without reading other details, if you go through it you will find that there is a fairly optimistic, a fairly optimistic commentary on the Gull Island project to the effect that, no problems, do not worry about it, full speed ahead. That impression has been clearly left with us. Of course, we have heard the Minister of Energy's statement and we know the full story or at least I hope we know the full story at this point.

While on that subject, we ought to recall also that the Premier just before the election went down to Yankee Point and to Savage Cove



Mr. Simmons:

and I think it is fair to say he gave the full impression that the project as far as the tunnel was concerned was again full speed ahead. Now, Mr. Speaker, again the Premier has got some explaining to do so far as Come By Chance and the Lower Churchill is concerned. I believe that we should be able to expect more of the government leader in this Province than that, the spokesman for the people of Newfoundland in that kind of charade. Perhaps it is not a charade, perhaps there is a perfectly logical explanation, but you would like to hear what it is, I think a lot of people around this Province would like to hear what it is. Until I hear the explanation, Mr. Speaker, I can only come to the conclusion that they have badly broken faith with the people of Newfoundland.

MR. WELLS: On a point of order, Mr. Speaker. The member has strayed again close to an allegation of dishonesty - there is breach of faith, or in other words that a lie has been told. This is essentially what his words are amounting to that if he is straying -

MR. SIMMONS: What words?

MR. WELLS: Any words you chose.

MR. F. ROWE: On a point of order, Mr. Speaker. As I remember my colleague simply said has broken faith with the people of Newfoundland, I read into that simply that they have not kept their election promises. There is no question of dishonesty whatsoever involved here, and if it is unparliamentary to say that election promises have not been kept I have yet to hear that citation, Mr. Speaker.

MR. SPEAKER: Order, please! The hon. gentleman has within my understanding of the term kept himself in order. As I understand that he has accused the government of - he stated bad faith. His opinion is something to the affect that faith has not been kept. I do not see an imputation of motive there, but a statement of opinion.

MR. SIMMONS: Thank you, Mr. Speaker. Yes, what I was saying is that I feel, and I just used Lower Churchill and Come By Chance as examples but there is a multitude of other examples I could cite, Mr. Speaker, all of which leads one to the conclusion. It is a conclusion, Mr.



Mr. Simmons:

Speaker, a conclusion on my part that the government has broken faith with the people of this Province. The people of the Province had been led to expect that all was well on the Lower Churchill. That is not the case. That all was well on Come By Chance. We know that is not the case. We have heard even today that the matter has not been satisfactorily brought to a conclusion insofar as a certain mortgage is concerned on Come By Chance. The people were led to believe all kinds of things about road paving and water and sewer and so on, which I shall not go into again, but just call them to mind for the benefit of people who have some difficulty subscribing to my statement that the government has broken faith. I feel very strongly that the government has broken faith with the people of this Province. I believe also, in the absence of some explanation, why the Premier can make one statement about the Lower Churchill before the election and a somewhat different one after, and in light of the fact that he made a statement about Come By Chance which I referred to just now and a very different one after, in the light of those conflicting, obviously to me conflicting additions, and in the absence of some explanation which I shall be happy to have, in the absence of that I can only come to the conclusion that they have bungled, Mr. Speaker, just about everything they have touched since they came to power, everything that would produce for us job opportunities. Labrador Linerboard, Mr. Speaker, now there is the place where they were going to shine. I wish the Minister of Energy who was then the Minister of Finance, at the time to which I want to refer, were in the House, because he could confirm one or two of the points on this subject which I wish to make. But even in his absence, let me recall for you, Mr. Speaker, his days in Opposition when he used to rave on about the great crime that had been perpetrated by selling the two buildings over there for \$450,000 I believe is the figure, two large buildings at, dormitories I believe at Stephenville, and

how they were going to undo it. Mr. Speaker, let the records show they undid it, they undid it to their undying credit, Mr. Speaker, they got the buildings back, and the buildings were and are to this day government property. They got the buildings back. And if the money had been paid to the private entrepreneur, \$450,000, well I suppose he got his cheque back, I do not know, or the government got the cheque back or whatever. He gave the cheque back. But anyway let the records show that the government owns the buildings. But let the record also show, Mr. Speaker, that the government tried to sell the buildings last Spring, the buildings that the government figured were a give away at \$450,000. The government tried to sell them last Spring and called the public tenders, and they received the tender, one tender, one tender only. The tender offer was for one of the buildings only. And the amount of the tender was not \$450,000 or even half that amount, Mr. Speaker. The tender offer was for \$1 - \$1!

MR. SMALLWOOD: The price of the two buildings was \$250,000.

MR. SIMMONS: The member for Twillingate (Mr. Smallwood), the former Premier who was obviously in a position to know corrects me that the price of the two buildings was not \$450,000 but \$250,000. Well, Mr. Speaker, I recall the racket that was kicked up, the shocking racket that the Minister of Energy portrayed across this Province that the government should sell these buildings. Well they got them back, Mr. Speaker, and I hope they are happy with them. I am told that in view of the heating problems they are almost completely useless to the extent that one would-be developer figured one of them was worth \$1 last Spring when the government called tenders to finally get rid of them. But that is only again the tip of the iceberg, Mr. Speaker, insofar as the government's handling of Labrador Linerboard is concerned.

I am told, and again I am subject to correction, I am told that the union at Labrador Linerboard has no confidence whatsoever in the management out there. I am told they feel they have some pretty good reasons for that. I do not know, Mr. Speaker. I am not expert on these matters.

Mr. Simmons:

But as a representative of a constituency I think I ought to ask what is going on out there. It is now a public corporation and yet we have yet to see the first financial statement. We have not seen a financial statement from this government since it took over that operation three and one-half years ago. We have no financial accounting about how things are going at Labrador Linerboard. We can speculate from some of the little tidbits of information we pick up. We can speculate that things are not going very well, but we have no financial statement yet from this government. This is the government, Mr. Speaker, that was going to tell all, was going to level with the people of this Province. Well, Mr. Speaker, they are not exactly telling it the way it is on Labrador Linerboard, I will tell you.

And while we are talking about Labrador Linerboard, what about the Goose Bay logging operation. Almost anybody who has had any contact at all with the Goose Bay area, let alone the Linerboard, but just the community of Happy Valley - Goose Bay, will tell you that it is common knowledge that the logging operation down there is a complete joke. It is a grossly inefficient operation. Why? Mr. Speaker, I believe the time has come for any independent inquiry into Labrador Linerboard and its operations. I believe the taxpayers of this Province have a right to know what is going on there and how their money is being spent or misspent. It is not enough, Mr. Speaker, to say we produce linerboard and we provide jobs, as important as these two are. But as this administration has so often asked in reference to ERGO at Long Harbour, at what price are we providing those jobs and producing that linerboard? The people of this Province, the people who are footing the bill have a right to know. They do not know now. Because, as I have said, we have not seen a financial statement on Linerboard

MR. SIMMONS: for three and a half years. I feel very strongly in the interest of seeing what our true financial picture is, I feel very strongly that there ought to be an independent public enquiry into the Linerboard. Let it be either a select committee of this House or perhaps the members of this House have sufficient other things to do, but let it be an independently appointed enquiry with people who have no vested interest in that industry or in that particular operation, to tell us once and for all what the real facts are insofar as the Linerboard operation is concerned at Stephenville and Goose Bay. I predict, a bit of information that I picked up from visits recently to Stephenville and Goose Bay, I predict that the enquiry will turn up some fairly unsavoury findings -

MR. WHITE: Worse than that.

MR. SIMMONS: - findings which will not reflect very much on the credit, to the credit of the people who are the directors of that company, including several of the Cabinet Ministers.

But in any event, Mr. Speaker, predictions aside, the need is clearly there for a public enquiry to find out once and for all what is going on with the Linerboard operation in Stephenville and Goose Bay.

Mr. Speaker, the Tories, the Tory Administration, this government are consistent about a lot of matters, no question about that. This latest budget, the 1975 budget we saw last week, not the mini budget of last Spring but the real budget, the one we got last Monday, the one they could not bring down last Spring for the reasons they best know, that budget told us the good news the Minister of Forestry was talking about. We are going to sock it to you with another two per cent on sales tax, another two points on the income tax and so on. Well, Mr. Speaker -

MR. ROUSSEAU: I did not say that was good news.

MR. SIMMONS: Mr. Speaker, the Minister of Forestry and Agriculture was interjecting earlier in the afternoon and he talked about good news. Perhaps he did not mean to say, in fairness to him, that these particular tax increases were good news. I know him well and I would think, Mr. Speaker, that he would know the difference.

MR. DOODY: All the facts that you presented were not necessarily true.

MR. SIMMONS: Mr. Speaker, this government is consistent. Not only did they bring in tax increases this year, in 1975, Mr. Speaker, and their record was almost broken with the mini budget last Spring, because they did not bring any tax increases in and they had like to be inconsistent because they had brought tax increases in in 1972, the first year they were in office, in 1973, the second year they were in office, and in 1974, their third year in office. Lo and behold! in the mini budget last Spring there was no tax increase and lo and behold! also they found a device to correct the record, to become consistent again. They found a device that has not been used many times in this Country, in this jurisdiction, not since Confederation I am told has it been used, not during the Commission of Government in the preceeding fifteen years before Confederation. And I do not know, not often since the advent of parliamentary government back in 1832 has this device been used here. But they had a good reason for using it, Mr. Speaker, their record for consistency was at stake. They had not brought in an increase in 1975 and they had to correct that, so they bring in their budget this Fall.

So now they are consistent, Mr. Speaker, Let the record show, let the word go out that they have brought increases in taxes, they have wacked it, socked it to the people of Newfoundland in every fiscal year since they took office, first, second, third, fourth, every single year without exception they have wacked a total of seven tax increases of various kinds on the people of Newfoundland in four years, sales tax, income tax, and so on. That is consistency for you. I am not sure it is the kind of consistency you would want to brag about, but the record is the record. Speaking of the record, on some matters this same group of Tories are fairly inconsistent. They are

consistent on tax increases, no question about that. On some other matters they are fairly inconsistent because they spent three and a half years telling us that what they were doing was cleaning up the financial mess. Now, lo and behold we hear last week they were not doing that at all. They were out squandering money, splurging, spending it like it was going out of style. That is what they were doing. But then they saw the light. Now they are going to level with us. They are going to call the shots exactly as they are.

Mr. Speaker, some questions that need to be asked, I would like to put them to the minister. The first question I have already put but I will just repeat it for the record. In his view, will the real deficit be \$11 million this year? Will he get into the record on that one now, Mr. Speaker? I know it is funny to people who do not understand the question I put, Mr. Speaker. But I want him into the record on that as to whether it is going to be \$11 million. Mr. Speaker, I have given you my projection but the minister has - will the minister tell us what the real deficit will be? Will it be \$11 million or will he admit now that that was unrealistic like he admits the budget was unrealistic and tell us that the real figure is not \$11 million but \$20 million or so?

Some other questions, some of which I have alluded to.

MR. DOODY: Allude away.

MR. SIMMONS: Well, it will all be in the Hansard, Mr. Speaker. We will find somebody to read it to the minister I am sure.

Mr. Speaker -

MR. DOODY: Get on with it.

MR. SIMMONS: Ah, ha, Mr. Speaker.

MR. POBEPTS: We are laying our cards on the table.

MR. MOORES: Save one.

MR. SIMMONS: Well, as the minister will tell you, you -

MR. POBEPTS: I thought Recreation was out of money.

MR. SIMMONS: As the minister will tell the Premier, you do not lay them all on at the one time.

Mr. Speaker, how can the government expect the kind of yield

in retail sales tax that is indicated, that is projected in the budget when the growth rate is about 11.7 up to the end of August, the growth rate in retail trade. Yet the projected yield would call for 27 per cent increase in retail trade. For the fiscal year 1974-1975, the retail sales tax was \$94 million. This year without the 2 per cent increase the minister tells us we are going to get \$119 million which as I say represents a 27 per cent increase. There must be an explanation. I certainly hope there is in the interest of keeping his deficit down to \$11 million.

Mr. Speaker, on the subject of personal income tax: Now, during the 1974-1975 year the government revenues from personal income tax amounted to \$60 million, \$60.5 million. The Fall budget -

MR. ROBERTS: The Fall guide budget.

AN HON. MEMBER: No, no.

MR. SIMMONS: Yes, probably that too. But the Fall budget, the real budget, forecast revenues from personal income tax of \$89 million, an increase of 47 per cent over the other year. What I would like to know is how the government proposes to explain this phenomenal growth of 47 per cent in the tax yield on income tax when the increase in personal income during the same period is only marginally above the rate of inflation, the rate of inflation being 11.2 per cent for the period. Yet the government is here forecasting an increase in tax yield of 47 per cent.

Mr. Speaker, I could come also to the mining tax and royalties. I would like to know how the government expects mineral taxes and royalties to increase by 152 per cent, 152 per cent over



MR. SIMMONS:

last year's level in a year when mineral production has been down significantly and on a tax that has not in the past two years at least yielded the expected revenues. And yet in this year they have really gotten optimistic and they are talking about a 152 per cent increase.

Mr. Speaker, these are just some of the questions, one or two others I would like to ask in the hope that they can be answered and more important in the hope that they can provide the government with an additional guide line or two. Perhaps they would miss something, Mr. Speaker. They have been busy people. They had to throw together this budget in a very short time and perhaps there are some things that have escaped their attention. Another question is how does the government plan to explain the arithmetic, I mentioned it before, the arithmetic that shows overspending on salaries of only \$20 million when in fact the figures reveal that there is an overspending of \$50 million, an additional \$30 million the minister does not account for. How does the government -

MR. DOODY: You cannot balance your cheque book.

MR. SIMMONS: Mr. Speaker, the minister is known to be a gentleman. Why he has to get so unkind so late in the afternoon, I do not know. All I want is the explanation. All -

MR. DOODY: All you want is everything.

MR. SIMMONS: Yes, I see. All I want is an explanation, Mr. Speaker. If I do not explain it, if I do not understand it, well I will find somebody to explain it or I will ask him. He has been a gentle soul and I am sure if I do not understand it the first time he will explain it the second time and that kind of thing. He is never known to be lacking for words on occasions such as this.

MR. DOODY: Sometimes retaliation appears to be the only system.

MR. SIMMONS: Mr. Speaker, the budget also does not indicate how the government proposes to finance a deficit, be it \$11 million or something higher which is another one of my questions. How does the government intend to finance a deficit? What will be the added



MR. SIMMONS:

cost to the treasury on current account because of this deficit? and a question that I do not really expect the government to answer unless they have reason to believe the deficit will be higher than \$11 million, but if they would concede the possibility that it is going to be higher than \$11 million, how again would they propose to take care of the additional deficit that might accrue?

Mr. Speaker, a further question, again unrelated but I am just spilling off a number of questions that I did not have time to deal with in substance in my comments but which nevertheless are pertinent to the debate and pertinent particularly to the amendment, I would like to know how the government proposes to explain the omission from the Fall budget of revenues amounting to \$506,000 from provincial water systems. This figure did show up in the March budget, in the mini budget last Spring. There is no reference to it in the Fall budget and I wonder why. I am referring again to the \$506,000 from revenue from provincial water systems.

Mr. Speaker, finally it brings me to a concern that I have wanted expressed insofar as this budget is concerned - how does the government propose to explain the decline from spending in the resource department when the recently announced austerity programme of the Premier, announced by the Premier, was to include increased efforts in that area, in the area of resource development. Now, Mr. Speaker, I cannot, from public statements being made by the Minister of Finance, the Minister of Industrial Development and the Premier, I cannot, I cannot get a handle on what they intend to do, Mr. Speaker, in terms of resource development. They are talking all around it, but yet

MR. SIMMONS: while they pay lip service to it, we look at the figures and we find that one of the resource departments is down by about \$4 million and another one by over \$1 million. And that is the puzzler, Mr. Speaker, how can they perform in this particular area? Now I have heard a lot of statements in the last three and a half years from this government about how they are going to shake her up and how they are going to have resource development coming out of your ears. What I would like to hear now, Mr. Speaker, is some concrete evidence of what they propose doing in terms of developing the resources of this Province.

I heard the Minister of Rural Development say the other day, brag about the 3,000 jobs. He would not agree to give us the information so we could analyze the details concerning these jobs.

MR. ROBERTS: It makes you wonder whether there were 3,000.

MR. SIMMONS: It does make me wonder, Mr. Speaker, without doubting the minister's word. He is new to the department and he would not, as he has demonstrated so many times in this House, have command of all the information relating to his present portfolios. But I would like to see the information and I had hoped when the minister spoke the other day, he did indicate that he was going to really level with us, he was going to table all kinds of information, he was going to let us know exactly what the situation was insofar as his government departments were concerned and yet a day or so after when I asked the question he gave me a flat, arrogant no.

Now, Mr. Speaker, what are they afraid of? It is public money. The public of this Province have a right to know how it is spent. The imputation has been, and speaking of the imputation of false motives, Mr. Speaker, I distinctly recall that the minister implied that somehow we would bandy this information around the Province for whatever reason. That is not our reason at all, Mr. Speaker, that is not why we need it. We need the information on amounts of money that has been loaned, for what purposes, in what parts of the Province. We found earlier that a lot of the money that was going to rural Newfoundland, out in the sticks to develop the small places, was winding up in that little outport called St. John's. That is hardly rural development, Mr. Speaker. I think it was the minister who said

MR. SIMMONS:

it is probably the biggest outpost in Newfoundland. Maybe so, but that is kind of playing with words. The intent, if you read the legislation setting up the Department of Rural Development, the intent is clearly to inject some funding into the smaller communities in this Province and yet as we found in looking at the early figures made available to us before the government adopted the cover-up policy on this matter, we found that a lot of the money was going to St. John's. I have nothing against St. John's, Mr. Speaker, but it is not exactly rural Newfoundland.

Why does the minister not come clean on this one and give us the information? How can we as members of this House make decisions about the way the public monies are being spent if the government refuses to give us the pertinent information. Why is he holding out? Does he have something to cover up, Mr. Speaker? Is that the reason? In any case, Mr. Speaker, I digress, The point I was making a moment ago is that I would like to hear something from the government on their plans for developing the resources of this Province, not in the general wishy-washy non-specific way we have been hearing for three and a half years in election type speeches, but give us some specifics about what is being done. As a first example, let the Minister of Rural Development show us the details of what is being done in creating the jobs that he has boasted about. And let me say also to the government as a whole, Mr. Speaker, that even if that 3,000 figure is accurate, if that is the only job creation they can brag about it is not a very responsible boast indeed. But after three and a half years and all the promises of full employment, a job for every fellow, every person in this Province, that all they can point to are 3,000 jobs and even these 3,000 they have not very adequately documented to date.

Mr. Speaker, I have raised a number of questions that need to be answered. I just want to

MR. SIMMONS:

introduce a couple of others in closing. Now, I have alluded to this one too but I do not think I actually put it in words. I would like to know what the government feels or what the minister feels are the immediate and the long-term implications of the deficit, the projected deficit. In so far as the ability of the Province to borrow, the ability of the Province and its agencies to borrow for capital spending programmes is concerned, how does this present mess we have gotten ourselves into, this deficit position, unprecedented, shocking and unprecedented, how does it affect, how does it undermine, restrict our ability to borrow for capital spending programmes? Is that why we do not hear much about a number of capital ventures that we have heard a lot about before the election?

To use an example, in my own district the government has suddenly become very, very mum on the Burgeo fish plant. Has the Burgeo fish plant fallen victim to the financial mess that I have been talking about? Has our ability to borrow entered into that situation too? I remember the Minister of Industrial Development as he was then, the present Minister of Finance, blaming Ottawa long and hard for a year or so for not coming through and he kept saying, the minute Mr. Jamieson and the federal people come through, he will be rushing down to Burgeo with the good news. He had signed the agreement and bingo, she would be ready to go, ready to roll. Well, Mr. Speaker, as we know that is not exactly the way it happened. This government, the government of this Province, had the offer from DREE on the first day of August. They sat on it until the 8th of September, 7th of 8th, I am not sure which, the 8th I believe. They signed it on Friday, the 5th, five weeks after they had received the offer.

Then the minister went to Burgeo on the 8th of September, eight days before the election, and outlined to the people the details of the agreement. I was in Burgeo at the time although I did not have time to get to his meeting. But I had some informants there who told me. They were not all my informants, Mr. Speaker. There were thirty-two at the meeting. The minister was there. He would be one of the

MR. SIMMONS:

thirty-two. You cannot count him as my informant. The P.C. candidate, Mr. Howard, was there but you cannot count him as my informant. So at most I had thirty informants there, Mr. Speaker. As a result, I was informed what the minister had said, and I think I have it pretty accurately. The gist of what he said was that the agreement had been signed, the the project would be going ahead and that some preliminary work would indeed be undertaken within the present month, the month of September.

Well, Mr. Speaker, first of all they have yet to see the preliminary work and secondly, Mr. Speaker, I find the present Minister of Industrial Development curiously mum on the whole subject. The people of Burgeo want to know because the government of this Province have made a firm commitment, not an iffy commitment. and this government, God knows, this government is pretty famous for if commitments too. We will do this if Ottawa comes through and we will do this if. I at one time referred to them, I think somewhat accurately, as the if administration. Well, Mr. Speaker, this is not an iffy thing. They have the commitment from Ottawa. They signed the agreement themselves. They now have not only a verbal undertaking but they have a written undertaking if we are to take the word - I have not seen the agreement but I have been told by the Minister for DREE as he then was, Mr. Jamieson, that the agreement was indeed signed and that his office has received a copy of the agreement, and I can only believe that, you know, - I have not seen it - but I can only believe the agreement was indeed signed. What then is the explanation for the complete silence on the subject? Has it fallen victim to the present financial mess? I certainly hope not, Mr. Speaker, because that project is crucial to the future employment and social opportunities of the people of Burgeo. I invite the minister to let us know as soon as possible exactly what the status is.

Another question for the Minister of Finance, Mr. Speaker: What is the true total extent of the Province's debt position both long and short term? Is it as reflected in the budget figures or are we to be told something else, the rest of the bad news in the

Spring? And again a related question, how does this present debt position relate to the Province's credit limit? Are we at the point where we are going to be cut off by the bond markets? Is it not true as I am told that the latest bond issue in respect of hydro which the government

Mr. Simmons:

attempted to raise or the Hydro people attempted to raise in July. I believe, July or August. Is he sure that has not all been taken up?

MR. DOODY: No.

MR. SIMMONS: The underwriters.

MR. DOODY: That is not true.

MR. SIMMONS: Not true? The minister might want to elaborate.

I understand that -

MR. DOODY: Are you rumour mongering?

MR. SIMMONS: Yes, well I am not starting a rumour, Mr. Speaker,

MR. DOODY:

MR. SPEAKER (DR. COLLINS) Order, please!

MR. SIMMONS: I am asking that the minister whether he is not playing with words, Mr. Speaker -

MR. DOODY: The underwriters -

MR. SIMMONS: - and whether it is not, a good part of it, in the hands of the underwriters -

AN HON. MEMBER: And are stuck with it.

MR. SIMMONS: And are stuck with it.

AN HON. MEMBER: ... discount

MR. DOODY: No.

MR. SIMMONS: No, the minister says, "No," Mr. Speaker, but I hope -

MR. SPEAKER (DR. COLLINS): Order, please!

MR. SIMMONS: he realizes what he is saying, Mr. Speaker, because we have some evidence to the contrary, and I am not starting rumours, I am asking the minister to clarify the situation,

MR. DOODY: I only won it -

MR. SIMMONS: not with semantics, but to tell us, again come clean, as they said they were going to do, and tell us exactly how it is.

And I submit that a large amount of that bond issue, a large portion of it is still in the hands of the underwriters.

Mr. Speaker, I have raised a number of questions which I believe deserve answering not for my sake particularly, although I have a right



Mr. Simmons:

as a member of the House, of course, but for the sake of the people who will bear the brunt of it, the taxpayers of this Province, they deserve to know. They are not here to ask, I am here in their stead or in the stead of some of them. And I do hope that the minister will not treat the subject as lightly in closing the debate as he has chosen to treat it in the last two or three hours. And I hope he will come clean as is the new commitment of this administration, and will tell it as it is, because I am of the firm belief, Mr. Speaker, that the present financial circumstances of this Province are considerably more serious than is apparent from this budget document. It is no wonder, it is no surprise that the credibility of this administration keeps dropping in the eyes of the Newfoundland public. That does not surprise me. But, Mr. Speaker, what I am concerned about is what is the credibility of this administration insofar as the financial community is concerned? How good is our credit in real terms? not in symbols, in B.A.A 's and that kind of thing, all of which are important I am sure. But is the bond market getting a bit jittery as a result of the lackluster, to say the least, lackluster performance of this administration over the past three and a half years. Have the chickens come home to roost for this administration, Mr. Speaker? For a year or so the bond market must have been impressed with the stature and the background of the present Minister of Mines and with other people in the administration, and must have said, it looks like a decent crowd. It looks like a crowd who know what they are up to. We will wait and see. Well, Mr. Speaker, they have waited, and they have seen, and what concerns me now, three and a half years later, is whether what they see will militate against our achieving the relationship with the bond market that is necessary to provide properly financed government for this Province.

Mr. Speaker, the comments I have made during the last little while and on Friday are made not to make any cheap partisan points in a debate. It is easy to be dragged into that kind of thing particularly in the atmosphere that was prevalent for part of the afternoon on Friday, Certainly a number of ministers on the opposite

Mr. Simmons:

side made the effort to reduce it to a partisan discussion. Mr. Speaker, I would be much more inclined to hear them out and to give them the benefit of the doubt, indeed to give them support, if it

MR. SIMMONS:

were justified. were they a little more anxious to treat what is being said as a commentary by someone who is concerned about the financial situation of this Province. I may be off base on a number of these, Mr. Speaker. I do not know. I hope not. I am not wanting to start false rumours. I am not wanting to introduce any additional panic into the financial situation. God knows there is enough panic there already and enough reason for the panic, too. And I have given what I have said in the last little while in the interest of bringing another perspective, I hope, to the debate and I have done so in the hope that the minister and his officials will have a look at what I have raised on behalf of my colleagues on this side of the House in the official Opposition because we are concerned about the financial situation. And I repeat we have a fear that it may well be more serious than is apparent from the budget document.

For these reasons, Mr. Speaker, I moved, not with any degree of delight, but I moved on Friday that the motion be amended. My amendment was seconded by my colleague from Trinity-Bay de Verde (Mr. F. Rowe). I moved to amend by striking out all the words after "that" and substituting "This House regrets the failure of the government to disclose completely and fully the present financial situation of this Province and the government thereof." As I say, I do that with regret, but I do it in the hope that we can responsibly rap the government on the knuckles to bring it to its senses before it is too late. They are the government for the next little while. They will be bringing in another one or two or three budgets. And in that context, Mr. Speaker, it is very important that the government and the members of the government administration realize that it is not enough just to get in a great mood of conscience, a great act of leveling the month after an election. Responsible government, responsible administration of government consists of a lot more than that. And I would hope that this motion if it does nothing else, or this amendment, will at least

bring home to the members of the administration the need to level all the time, even sometimes when it is not particularly pleasant to do so, and to question. It is so easy, Mr. Speaker, for the minister for a department that is not particularly relating to the, not particularly addressing itself to the intricacies of finance, it is so easy to rely on the Minister of Finance and so easy to rely on his people and say well it must be okay. I am not suggesting that the Minister of Finance in any way presents to his colleagues a document that is deliberately out of kilter or anything of that nature. But what I am saying, I think the onus is on every member in Cabinet to make doubly sure, before he supports, the kind of information we have seen in the last two budgets, this Fall and this Spring. The onus is on him individually to insure to his own satisfaction that the government is disclosing, is coming clean, is telling it as it is. And regretfully I have to say that the indications I have before me, the information I have is to the contrary. The information that I have is that the government has not levelled. I do hope that, if this amendment does nothing else, it will drive home to members of government the need, the absolute need to make available to the House of Assembly all the facts. Only in that way, Mr. Speaker, will we as representatives of the people be able to insure that the government of this Province is being properly and responsibly and intelligently administered.

MR. SPEAKER: The hon. member for Twillingate.

MR. SMALLWOOD: Mr. Speaker, I have a strong desire to speak to the motion, that is to say, to speak to the budget. I think it is a time of almost supreme importance in the history of this Province and so I would like to deal thoroughly with the budget. But first I would like to have a quandary cleared up. We have a motion that the House go into Committee of Ways and Means. This is the classic motion in the moving of which the minister presents his budget speech

Mr. Smallwood:

and we have an amendment to it. Now this has happened before in this House. Sometimes it was the Speech from the Throne and to it an amendment, and sometimes a budget speech and to it an amendment. And the practice down through the years here has been for hon. members, who wished to do so to speak twice, once to the motion and then subsequently to the amendment, or sometimes to the amendment and subsequently to the main motion. In this particular case, we are talking about the budget and whether we address ourselves to the amendment or the main motion it is still the budget that we are discussing. The hon. member who just sat down demonstrated unmistakably that that is the case, because almost every word he uttered since he introduced his amendment was identical in kind at any rate, if not in detail, with the words he uttered on the main motion. He has delivered in a sense two speeches of about half and half, and I would defy anyone in the House to distinguish, in character, in nature, between his two speeches.

So what I would like to do, what I would like to do is to talk about both matters in the one speech. And I would defy even His Honour, Mr. Speaker, to separate the speech into two speeches. Nevertheless, constitutionally, and under the rules, every hon. member has the right to speak twice, to make two speeches, one on the motion and the other on the amendment. I would prefer to wander from one to the other by general consent, and it is constitutionally proper, because it is impossible to separate, to distinguish between the two matters, the budget and the amendment to the motion. If I were to speak to the amendment, I would deplore the terminology. I have not got a copy of it. The hon. member might be kind enough to let me have a copy of the amendment. It frequently happens that oppositions move amendments to the budget. This is traditional, nothing unusual about it. And in an opposition I imagine—and I only imagine this because I have never been in one, I have always been on the other end—but I would imagine that within the opposition there would be a putting together of heads, to decide what would be the best amendment.

Now the purpose of the amendment would be to create a handle on which attacks on the government and on the budget might be made - this is very well done here this afternoon at some length - but also one which would appeal to the general public. This one I suggest does neither. "This House regrets the failure of the government to disclose completely and fully the present financial situation of this Province and the government thereof." You cannot draw any distinction there. The finances of the government, the finances of the Province (with a capital P) are one in the same. You cannot separate them. That is a little redundancy there. If it said the financial situation of this Province it would have had exactly the same meaning as there is now even after the addition of the words, "and the government thereof."

Frankly, Mr. Speaker, I am rather killing time because I do not want to plunge into my main speech, but I do wish, with consent, to dispose of -

MR. DOODY: Politics.

MR. SMALLWOOD: No, my reason that it is ten minutes six, and I have what I am conceited enough to believe are important things to say about the budget, and I would like to

MR. SMALLWOOD: say them to the people of Newfoundland through this House, through the press gallery. I have been a reporter and I know that by now reporters are completely -if they are here at all, if they are not gone back to their offices or on the telephone reporting to their stations, if they are still here - they are fed up to the teeth. And so would I be and so would any hon. member be if he were a reporter who is expected, so far as radio and television stations are concerned, to summarize everything said and done here today in, say, a minute and a half on the air or two minutes and if it is a newspaper then a little longer in print.

So let me say this, that the government of this Province in its present administration and in the former administration, throughout the whole period of Confederation, the Government of this Province as by law required, reveals, delivers, publishes an enormous amount of information about the finances of the Province. Here is a volume of the public accounts of the Province of Newfoundland, public accounts for the year ended March 31, 1973 and it is a very voluminous document, and here is another volume even more voluminous, accounts of Crown Corporate agencies, Crown Corporations and boards and authorities and sundry funds administered by the Province, again for the year 1973, and again a most voluminous document with an enormous amount of financial information. And even more recently here is one which does precisely the same thing for the year ending 31st. March 1974. This is the latest in print. And here again for 1974 the Crown Corporation, boards, authorities and so on. Then here is the report thereon of the Auditor General, an officer of this House, a man, by the way who was chosen by me, I submitting his name to my colleagues in Cabinet, to be offered the position of Auditor General, which he accepted. He is an officer of this House. It is to this House that he reports, not to the government, to this House because he is an officer of Parliament. He audits the government's handling of public funds and sees to it that they were spent for the things they were meant to be spent on and sees to it that authority was given to the government by this House to spend that money. It is an audit of public spending. He is a chartered accountant and he has a large staff. He always complained that it was not large enough. I do



Mr. Smallwood:

not know how large it is, but a large staff, many of them being chartered accountants and they audit the government's spending and I believe that in some cases they do pre-auditing before the money is spent at all the Auditor General has to look at it and say, "Yes, this is in conformity with the law and this is what Parliament, what the Legislature authorized to be done."

Then I turn to the budget, the mini budget of last Spring and I find an enormous amount of information there and the estimates of revenue and expenditure, again in the budget speech of last Spring and then the Autumn budget of the current season, the current session of this House, and I have read them all most carefully. And then something of enormous importance, before this Province or anyone, any province, any country, any state can borrow money in the United States, sell bonds, the borrower must file with the Securities Exchange Commission, the SEC, of the United States Government a complete revelation of the finances of the borrower. And here is the latest one. It is a prospectus, it is an SEC statement, without the filing of which not a dollar can be borrowed in the United States of a public issue. Private borrowing, yes, but not a public issue, not a bond issue put

MR. SMALLWOOD: on the market. This I have myself as Minister of Finance, which I was for a while, and as Premier for twenty-three years, I have studied carefully these prospectuses that were required be filed with the SEC. I am thoroughly familiar with them and I can assure this House, Mr. Speaker, that a government that deceived the SEC in any prospectus it issued as a prelude, a necessary prelude to the borrowing of money publicly in the United States would be in the deepest possible trouble. They would never again be permitted to borrow a dollar in the United States.

Then a publication which I had the honour to institute, to initiate - this is only a supplement to it, the main one was rather thicker than this - and this is a supplement to the historical statistics of Newfoundland and Labrador which I assume every hon. member has. If he has not he ought to because this is historical. It is not just contemporary, it is historical. It goes back under all the headings, it goes back as far as history saith, as far as history will allow, as far as the information is in the Department of Finance and in the Treasury Board.

Now admittedly there is wide latitude and wide room for interpretation of these financial facts. Anybody can read them, anybody can study them, and we members ought to study them it is our duty. And having done so, each individual hon. member may come to a completely different conclusion. So be it. It is not for the government to tell me the conclusion to which I should come after reading all this financial information which they have tabled publicly. Dare they do it! Their right ends - their duty begins with compiling the information and publishing it and their responsibility ends there. When they have revealed, when they have tabled the information they have done their duty and they cannot be expected to do more. Now they have the same right that I have of drawing their conclusions, of putting their own interpretations on these facts. I have that right and no one is going to take it from me. So has every hon. member of the House. We all have that right. Indeed, the newspapers have the right, the public have the right and the document, Sir, compiled, published and made public then anyone. He who runs may read, and having read may form his own

conclusions.

For these reasons it seems to me that the amendment is not true. It is not true. What is says is not true, is not accurate, is not correct. I do not mean, and I use the word true and untrue, Mr. Speaker, and let it be understood because I am likely to use the words again and again if I speak again and again, in the same sense. A lie, that is not a word that is the same as inaccurate or incorrect. A lie is a lie only if there is an intention to deceive. I can say that this is Tuesday, and if I honestly believe it is Tuesday I am not lying. I am wrong, I am incorrect. There is everything in the world, all the difference in the world between an inaccuracy, an untruth and a lie.

You are not allowed to debate a ruling of the Speaker but I have heard a ruling not too long ago in this House which condemned an hon. member for using the word untrue. I would have disagreed with that ruling. I think it is quite parliamentary to say, "That is not true." It is highly unparliamentary to say, "You are a liar" or to say that you told a lie or that you set out to deceive.

So as—in my opinion and to my regret, because I would rather vote for an Opposition amendment than against it, generally speaking, but

MR. NEARY: I got one you can vote for.

MR. SMALLWOOD: I would like - there are two so far before the House, a resolution

MR. SMALLWOOD:

which I am voting for and an amendment which I fear I must vote against. My colleagues had discussed it with me and we have agreed that we do not think it is true that the government have in effect concealed. Now when I come to deal with the budget, the House may find, think they find some inconsistency in my opposition to this amendment and my position on the budget, but perhaps I can manage to - I have accomplished my first purpose at any rate. I have not said a word of what I want to say about the budget. If I may be permitted, Mr. Speaker, I move the adjournment of the debate.

MR. SPEAKER: The debate is adjourned.

Before a motion to adjourn, or whatever motion might come, I would like to draw the attention of hon. members to a question which was asked during the last one or two minutes of today's question period by the hon. member for LaPoile (Mr. Neary). I did not allow it at that time. I wished to see it precisely and also to reserve judgement and to consult certain authorities. It was a reference to a matter before a court, a reference to a court. I have since had an opportunity to precisely read the question and to consult the authorities. I rule that the question is in order. It deals with a question of what one could call procedure or administration and not with a question which is itself sub judice.

MR. NEARY: Thank you, Your Honour.

MR. WELLS: Your Honour, I do move that this House do now adjourn until tomorrow, Tuesday, at three of the clock.

On motion the House at its rising adjourned until tomorrow, Tuesday, December 2, 1975 at 3 o'clock.

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