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VERBATIM REPORT

MONDAY, DECEMBER 15, 1975

SPEAKER; THE HONOURABLE GERALD RYAN OTTENHEIMER

The House met at 3:00 P.M.

Mr. Speaker in the Chair.

STATEMENTS BY MINISTERS:

MR. SPEAKER: The hon. Minister of Finance.

HON. W. DOODY (Minister of Finance): Mr. Speaker, during the past week the Province has successfully concluded arrangements for two bond issues. The first of these was a Canadian dollar loan in the European capital market. It was originally set at an amount of \$25,000,000 at par but because of the heavy demand it was increased to \$30,000,000 at an issue price of 100 1/4. The interest coupon is 10 1/4% and the loan matures on December 15, 1985, which makes it the longest term issue in the Euro-Canadian dollar - a ten year issue, this is the first one that they have ever accepted in the Euro-Canadian dollar. Credit Commercial de France and A. E. Ames and Company acted as co-managers for this loan which will be listed on the Luxembourg Stock Exchange.

Merrill Lynch, Pierce, Fenner and Smith Incorporated were the lead managers in the private placement of a \$25,000,000 U.S. dollar issue for the Newfoundland Municipal Financing Corporation. This issue has a coupon of 10 7/8 % and was placed in the United States with a group of investors headed by The Equitable Life Assurance Society of the United States. The loan is guaranteed by the Province to mature on December 1, 1995.

So far this year the Province has borrowed \$160 million under the authority of the Loan Act 1975. The borrowings have all been in Canadian or U. S dollars and are detailed as follows: \$60.0 Canadian (2 issues); \$50.0 Euro-Canadian (2 issues); and \$50.0 U.S. (1 issue).

I have some copies here for the House and for the press.

Thank you, Sir.

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES:

MR. SPEAKER: The hon. Minister of Finance.

MR. DOODY: Mr. Speaker, I have to table the following documents, regulations which were gazetted on December 1, 1975 and are required to be tabled in the House of Assembly by not later than December 19, 1975, fifteen sitting days after they are made. One, The Tobacco Tax Amendment Regulations, 1975; The Gasoline Tax Amendment Regulations, 1975; The Insurance Premiums Tax Amendments Bill, 1975; The Horse Racing Regulations ; Tax Amendments Regulations, 1975; The Fuel Oil Tax Amendments Regulations 1975 and The Retail Sales Tax Amendments Regulations, 1975. There are copies of these available also for tabling in the House.

NOTICES OF MOTION:

MR. SPEAKER: The hon. Minister without Portfolio.

HON. R. WELLS (Minister without Portfolio): Mr. Speaker, I give notice that I will on tomorrow introduce a bill, "An Act To Provide Retiring Allowances On A Contributory Basis To Persons Who Have Served As Members Of The House Of Assembly."

ANSWERS TO QUESTIONS FOR WHICH NOTICE HAS BEEN GIVEN:

Question No. 416 - Hon. Mr. Smallwood (Twillingate):

The number of automobiles, buses, trucks, etc., the numbers of drivers licensed, and the annual revenue in each of the financial years 1970-75.

HON. J. MORGAN (Minister of Transportation and Communications): Mr. Speaker, in reply to Question No. 416, the total number of vehicles is 190,000; the total number of drivers licensed is 214,724. The revenue amount in 1975 was \$7,076,000.

MR. SPEAKER: The hon. Minister of Health.

HON. H. COLLINS (Minister of Health): Mr. Speaker, the hon. member for Burgeo - Bay d'Espoir (Mr. Simmons) asked a question last week about a rumour that some people were being laid off at the Burin Cottage Hospital. I undertook to get some information for him. Nobody has been laid off, and there are no plans to lay anyone off.

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

HON. J. ROUSSEAU (Minister of Forestry and Agriculture): Mr. Speaker, in respect to some of the questions posed by the hon. member for Twillingate (Mr. Smallwood), first of all I have by letter to him dated September 8 for Questions No. 273, 278, 284, 285, 286, 287, 300, 305, 306 and 316, indicated that they are not appropriate to this department by copy of the letter to my colleague, the hon. Minister of Tourism. They have been referred to that department.

Answer to question asked by J.R. Smallwood, directed to the Honourable the Minister of Forestry and Agriculture.

Question No. 276 The number of acres of land newly cleared, number brought into cultivation; dollar assistance given toward the cost of said operations in each of the financial years 1965-75.

Answer:

<u>Year</u>	<u>No. of Acres of land newly cleared</u>	<u>No. brought into culti- vation</u>	<u>Dollar assistance toward cost</u>
1965/66	759	759	94,887
1966/67	898	898	112,265
1967/68	641	641	80,160
1968/69	680	680	85,610
1969/70	667	667	83,408
1970/71	712	712	89,093
1971/72	972	972	121,518
1972/73	831	831	105,028
1973/74	785	785	133,338
1974/75	1,620	1,620	347,170

Answer to question asked by J.R. Smallwood, , directed to the Honourable the Minister of Forestry and Agriculture.

Question No. 279 Is it the intention of the Government to place in Central and Eastern Newfoundland agricultural products establishments similar to the one at Corner Brook.

Answer: The abattoir constructed at Corner Brook was poorly planned and contracted, and cost far more than it should. The requirement for similar establishment in Central and Eastern Newfoundland is being continually monitored and the best arrangement would be for private enterprise to provide the facility as is done elsewhere. Appropriate Government action will be taken at the appropriate time.

Answer to question asked by J.R. Smallwood, directed to the Honourable the Minister of Forestry and Agriculture.

Question No. 281 The numbers of land grants, their aggregate area and the purposes for which desired; and the same information for leases granted; in each of the financial years 1970-75?

Answer: Statistics, in the form requested by Mr. Smallwood have only been compiled since April 1, 1973. For the Financial years 70-71 and 71-72 only gross figures are presently available. Statistics for the 1975-76 financial year will not be compiled until next spring, therefore, the figures only represent totals up to November 24, 1975.

Leases (Area in Acres)

	70-71		71-72		72-73		73-74		74-75		75 Nov. 24	
	Nos.	Area	Nos.	Area	Nos.	Area	Nos.	Area	Nos.	Area	Nos.	Area
Residence	41	-	59	-	71	-	113	69	75	50		
Agriculture	25	-	34	-	37	-	65	1,814	43	1,015		
Summer Cottage	107	-	97	-	102	-	126	115	89	74		
Commercial		-	35	-	33	-	35	109	40	159		
Others	3	-	1	-	7	-	17	298	11	414		
TOTAL	176	6,258	226	1,765	250	1,553	356	2,405	258	1,712	238	2,378

Grants (Area in Acres)

281 continued.

	70-71		71-72		72-73		73-74		74-75		75 Nov.24	
	Nos.	Area	Nos.	Area	Nos.	Area	Nos.	Area	Nos.	Area	Nos.	Area
Residence	29	-	28	-	34	-	34	30	13	8		
Agriculture	30	-	22	-	48	-	17	177	173	1,313		
grants under sect. 9(1) including both summer cottage & commercial	116	-	92	-	139	-	204	298	53	90		
Others Schools, churches, municipal council, etc.)	6	-	13	-	5	-	14	355	12	616		
TOTAL	181	2,301	155	1,261	226	1,257	269	860	251	2,027	142	490

Answer to question asked by J.R. Smallwood directed to the Honourable the Minister of Forestry and Agriculture.

Question No. 290 Tons of agricultural limestone produced and made available to farmers in each of the financial years 1960-75.

Answer: There is no agriculture limestone produced in Newfoundland. Limestone is usually obtained from Mosher's Limestone, Musquodoboit, Nova Scotia.

Year	Tons of Limestone made available to farmers
1960/61	3,469
1961/62	1,923
1962/63	1,266
1963/64	1,826
1964/65	2,055
1965/66	1,403
1966/67	2,002
1967/68	2,015
1968/69	2,244
1969/70	2,759
1970/71	2,840
1971/72	2,976
1972/73	4,112
1973/74	5,050
1974/75	5,110

Answer to question asked by J.R. Smallwood directed to the Honourable the Minister of Forestry and Agriculture

Question No. 298 The numbers and amounts of farm loans made in each financial year 1970-75.

Answer:

<u>Year</u>	<u>No. of Loans Made</u>	<u>Amounts to Farm Loans</u>
1970/71	79	\$133,763.00
1971/72	91	\$287,793.71
1972/73	92	\$331,426.13
1973/74	120	\$463,051.42
1974/75	99	\$480,539.41

Answer to question asked by J.R. Smallwood, directed to the Honourable the Minister of Forestry and Agriculture.

Question No. 299 The number and amounts of saw mill loans made in each of the financial years 1970-75.

Answer: This Department does not provide financial assistance to saw mills.

Answer to question asked by J.R. Smallwood, directed to the Honourable the Minister of Forestry and Agriculture.

Question No. 301 What effort has the Government made to ascertain the practicality and economic feasibility of growing mushrooms in Newfoundland?

Answer: Several years ago the Department studied the possibility of a commercial mushroom growing operation in this province. It was determined that mushroom production, using present day techniques was not economical. This is primarily due to the fact that a suitable compost or growing medium is not readily available in this province. Although it might be practical to grow mushrooms on a small scale for home use, we are not encouraging or recommending any large commercial production. Scientific research is going on in many parts of the world to develop new techniques of mushroom production. There is a possibility in the years to come that techniques may be developed using local materials as a basis for the compost.

Answer to question asked by J.R. Smallwood directed to the Honourable the Minister of Forestry and Agriculture.

Question No. 302 How many cords of pulpwood delivered to the linerboard paper mill at Stephenville in the calendar years 1973, 1974, and 1975; the sources; the cost of the said pulpwood delivered to the mill.

Answer: This Department is not responsible for the Labrador Linerboard Corporation.

Answer to question asked by J.R. Smallwood, directed to the Honourable the Minister of Forestry and Agriculture.

Question No. 307 What is the Government's policy with regard to licensing the building and regulating of country shacks.

Answer:

I assume that Mr. Smallwood is referring to summer cottages when he uses the term "country shack". A license is not required in this Province for constructing a summer cottage unless it falls within a municipal boundary. Within a municipal boundary, a building permit must be obtained from the local authority. However, all cottage owners or potential cottage owners must have in their possession proof of ownership of the land they are occupying, before a cottage can be constructed.

Cottage owners who are occupying Crown Land without the benefit of a title issued from my Department are in illegal occupation of Crown Land and are subject to prosecution under Section 134 and/or 116 of The Crown Lands Act. Leases for Crown Land are available, upon application, for cottage construction, provided the site meets the minimum requirements as laid down by various Government Departments.

Regulations regarding the construction of cottages are laid down in the provisions of the lease and the schedule attached thereto.

The lands Branch of my Department is reviewing present Government Policy regarding summer

cottages and I expect to be recommending some major changes in this area over the next year.

Answer to question asked by J.R. Smallwood, directed to the Honourable the Minister of Forestry and Agriculture.

Question No. 308 What is the local production of hay; how many tons are brought into the Province?

Answer:

1974

Local production of hay = 8,100 tons

Hay imported into Province - 6,000 tons

Answer to question asked by J.R. Smallwood directed to the Honourable the Minister of Forestry and Agriculture.

Question No. 310 What is the present system of giving financial assistance to clear land for agriculture?

Answer:

A. Land Clearing Policy

Upon inspection of land and approval of application for land clearing, an individual may clear, at any given time, five acres of land with a maximum of twenty in any given year. Upon a further inspection, after said land is cleared, payment in amount of \$125.00 per acres is made.

B. Capital Assistance Program

Upon approval of an application, including a proposed five year farm plan, an applicant may be eligible for a grant of up to \$200.00 per acre for land clearing, paid when said land is ready to be placed into production.

Answer to question asked by J.R. Smallwood, directed to the Honourable the Minister of Forestry and Agriculture.

Question No. 311 What system, if any, do the Government have to assist farmers to increase the productivity of fields or other land that have fallen back in that respect?

- Answer:
- A. Professional advice from Agricultural staff.
 - B. Department makes limestone available to the farmers at \$2.00 per ton.
 - C. Loans available from the Newfoundland Farm Development Loan Board in amount of \$75.00 per acre.

Answer to question asked by J.R. Smallwood, directed to the Honourable the Minister of Forestry and Agriculture.

Question No. 314 Have Government completed making the arrangements whereby clear title has been or is to be delivered to the Canadian Government on all lands in Gros Morne Park?

Answer: The administrative responsibility for the Gros Morne National Park rests with the Gros Morne Authority. Last year, this Authority was transferred from my Department to the Department of Tourism. I therefore suggest that Mr. Smallwood direct this question to the Honourable T. Hickey.

Answer to question asked by J.R. Smallwood, directed to the Honourable the Minister of Forestry and Agriculture.

Question No. 309 How many community pastures are there; where; their acreage; what use is being made of them; what charges are made for their use by the public.

Answer:	Total number of pastures	33
	Total number of patrons	689
	Total area developed	5,975
	Total number of lambs	3,802
	Total number of sheep	3,269
	Total number of cattle	2,128
	Total number of calves	716

Charges to Public

Cattle over 9 months	\$5.00
Calves under 9 months goes with mother	
Sheep and Rams	\$1.30
Lambs	\$0.15

(See attached for details)

<u>PASTURES (33)</u>	<u>PATRONS</u>	<u>TOTAL AREA RESERVED</u>	<u>TOTAL AREA DEVELOPED</u>	<u>NUMBER OF SHEEP</u>	<u>NUMBER OF LAMBS</u>	<u>NUMBER OF CATTLE</u>	<u>NUMBER OF CALVES</u>
Cochrane Pond	36	6160	465			343	1
Shoe Cove (St. John's East)	44	898	185			78	6
Foxtrap	37	2500	354			160	51
Brigus	32	1138	215		28	121	71
Salmon Cove	28	370	145			102	56
Country Road	67	1605	450	247	206	171	51
Colinet	16	321	200	79	65	71	22
Riverhead	34	960	100	99	86	51	17
Gaskiers	43	5000	150	373	326		
St. Shotts	22	8000	80	202	220		
Peters River	25	2300		220	185	9	3
Ferryland	24	3000	140	90	81	36	4
St. Brides	24	7076		397	403	19	7
Winterland	21	350	220	97	85	54	35
Point Crewe	11	5500		32	20	31	24
Lamaline	13	3000	135	209	147	19	9
Port Rexton	4	910	65	55	38	28	19
Spencer Bridge	18	1000	200	114	77	62	15
Comfort Cove	11	2361	85	132	72	38	17
Wooddale	4	271	110	130	143	5	
Mic Mac	13	1619	295	229	149	54	39
Cormack	37	4360	540	136	123	285	115
Robinsons	19	568	255			123	76
Searston	9	150	90			43	36
West Bay	30	464	323	225	237	53	28
Long Point (New)		700	100				
Long Harbour	6	3000	150	51	19	6	0
George's Brook	10	1000	90	61		65	
Swansea	35	2500	350				
Port Albert	4	900	121			31	17
O'Regans	12	960	200	91	92	70	33
Bay de Verde (new)		1500	150				
Harbour Main (new)		1500	12				
	<u>689</u>	<u>71941</u>	<u>5975</u>	<u>3269</u>	<u>2802</u>	<u>2128</u>	<u>716</u>

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ORDERS OF THE DAY:

MR. SPEAKER: Motion 3.

On motion of the hon. Minister of Forestry and Agriculture, "An Act To Repeal The Newfoundland Agricultural Marketing Act," read a first time, ordered read a second time on tomorrow.

COMMITTEE OF WAYS AND MEANS:

MR. SPEAKER: The hon. the Premier.

PREMIER MOORES: Mr. Speaker, since the Fall Budget has been brought down there have been various remarks and speeches made in this House. First of all I would like to congratulate those new members who did make their maiden speeches at this particular time and I think together with the others who have spoken before me, the calibre and the quality of those speeches are ones that the House could well commend. There have been other speeches made, Mr. Speaker, which I will be dealing with in more detail later. Some of them, like the one by the Leader of the Opposition, in my opinion was totally irresponsible in its approach to the financial situation of this Province. It was not develop or bust, it was borrow or bust and that, Sir, is not good enough at this time in our history.

At this time in the history of this Province, we as a people, and we as a House of Assembly have to be awfully serious, we have to be awfully concerned and we have to be very responsible. I think we have heard over-reaction. I think the hon. member for Twillingate, meaning very well and accepting the problem that is facing us as a Province, I think the fact is that we must look at the balance and the counter-balance as to what we can do realistically as opposed to what we would like to do or even as we should do. For the hon. gentleman's information, Sir, the fact is he was talking about the Premier being the Minister of Finance in many provinces in Canada, today there is only one Province left whose Premier is also the Minister of Finance and that is the Province of Manitoba.

There has been a change, Sir, over the last few years. That does not mean to say that the head of government is not involved in budget

PREMIER MOORES: formation, Of course he has to be by definition.

Mr. Speaker, talking about the situation as we have it in this Province today, there are a great many details of it I would like to go into and I will be dealing with them as I go through my few remarks, but I suppose, Sir, the one that lies at the root of where we are as a people, has to be looked at and looked at most seriously, is that of expectations, what has been expectations for quite a few years now, as the Prime Minister quite rightly said, is no longer just expectations but most people think it is a right. Sir, that philosophy, that attitude must and has to change, The fact that what we thought was our right, even up to a few months ago because they were our expectations, are no longer the case and we in this Province like all the other provinces of Canada must face up to that and face up to the reality of it.

The hon. member also referred to losing self-government in the difficulties of that time, That time I suggest, Sir, was the time when most of us here do not remember other than reading about it in history. I do not think we are at that stage today, Sir, far from it. But times are extremely difficult today and they require, Sir, harsh measures.

PREMIER MOORES:

They require measurements by the government of this Province, by the government of the other provinces of Canada and by our federal government that have not been the norm but rather have been totally unexpected and unrealized until very recently. This government, Sir, plans to be tough. There is no question about that. We will set an example to labour and to management of what government can do in leading the way, in showing the way. But also, Sir, we will accept the challenge of the future, we will accept the challenge of what can be done in a very rich province, in a very rich nation, so that this nation and our Province will be the beneficiaries.

Sir, the necessity of the first Fall Budget in our history was one that really takes very little explanation. The fact is we were heading for a deficit this year of some \$30 million, and something had to be done about it. Something had to be done to look after what will happen next year. Because whilst the financial market and the other people in this world will accept one deficit because of the unusual circumstances in the world today, they will not condone nor should we be allowed to get away with two. The fact is that that will never be allowed, Sir, with the financial restraints that are in the world and not just in Canada.

The fact is we were looking at \$30 million deficit this year. The fact is, Sir, that the Province of Ontario was looking at \$1,293,000,000 deficit, the federal government whose deficit is gone from \$2 billion to almost between \$6 billion and \$7 billion in deficits. So what is happening here, Sir, in our Province is not unique to what has happened in our country generally. We are looking at, Sir, in this budget the principle of balancing the budget. I think, Sir, it is fair to say that all people in this Province must realize that unless we balance our budget, unless we are financially responsible, we as a Province and as a people will never, ever be able to do the things in the future that we so badly need to do and want to do.

SOME HON. MEMBERS: Hear, hear!

PREMIER MOORES: The fact is, Sir, our Province has a rating in the world today by Moodys, Standard and Poor and these other people who do ratings in the United States market, we have a rating of BAA. The fact is also, Sir, that unless we take these steps that rating could decrease or certainly not be increased. We do not have the flexibility of an Ontario with a triple A rating, where if worst came to worst they would be dropped to a double A rating. We have not the flexibility, Sir, to allow expenditures that may not be prudent and may not be acceptable. In other words we had to act quicker and more realistically than even the other larger provinces of Canada.

The fact is, Sir, that it is clear to me that the inflationary process in which we find ourselves was in fact the major contributing factor to our being in our position today. We have heard charges from the other side that we should have known in the last budget; the last budget was dishonest; the last budget was a budget that should have told the facts; we did it because of an election. Sir, with all due respect to the Opposition, the fact is as an example wage and price controls came in after our election and eighteen months after the federal election when it was a very major plank in the national government's platform at that time.

The fact is, Sir, we did say that school tax could not be taken off because it would have been financially irresponsible. The fact is, Sir, I think we have taken a responsible position. The fact is that I do not think that this inflationary spiral that we found ourselves in, even though as the Premiers of Canada have asked eighteen months ago for federal leadership and pledging co-operation, I do not think, Sir, that it could have been forecast to the degree that we have now come to accept it.

The need to correct the present budgetary trends, also to alert the public on the difficulties of Gull Island, and the need to participate in the federal government's attack on inflation were all reasons, Sir, why this House had to be called together, all reasons why fiscal controls and restraints and guidelines by ourselves had to be

Premier Moores:

laid down. The fact is, Sir, we are cutting spending in co-operation with the federal position, because our position is no different.

The fact is our government has to cut programmes and it has to cut in some of the programmes we presently have. That is just being prudent, Sir, that is not being politically expedient. We hear the

Premier Moores:

Opposition say that if Ottawa does it, it is fine; if we do it, we are letting down the voter and the people of this Province. That, Sir, is partisan politics that at this time is not responsible and not what we need to face up to. It is unfortunate, Sir, that the Province should be asked, I suppose, to participate in Canada's belated on inflation but the fact is, Sir, we have been and we will. Recriminations against one government or another, or one political party or another are of no consequence nor serve any purpose at this particular time. We, Sir, have been living in a dream world for sometime. When I say we, Sir, I am talking about most governments, most companies, most unions, and most individuals in our society; all of us, have been living in a dream world, a dream world, unfortunately, that we have come to find now does not exist. Unfortunately, in this Province we inherited some of our dream worlds through the linerboard mill and Erco and others but the fact is we have inherited them, we have to live with them, and now we have to do what has to be done. But, Sir, I can tell you we will be leaving the Alice In Wonderland economic policy and going into a world of reality in the future. The background, Sir, is that we are slowing down the great leap forward, there is no question that I agree with that, but, Sir, unfortunately most people or a lot of people would have called it the great stumble forward. The fact is that this Province, Sir, has to come to grips with where we are as a people. This Province had only a minimal share, I suppose, in the situation that Canada and ourselves are finding ourselves in, but we must accept, Sir, some share of the responsibility since this government, in common with all governments, have overspent themselves at an alarming rate during the past years. But, Sir, what was the option?

The fact was that we had to catch up or, at least, we said ourselves and everyone told us that we had to catch up. We had to provide infrastructure for what was required in this Province. We had not to be second-class Canadian citizens, and we were in a rush to become first-class Canadian citizens.

Premier Moores:

The hon. member for Twillingate (Mr. Smallwood) has mentioned, Sir, that the debt of the Province has increased by some \$700 million - \$900 million, and that, Sir, is basically correct. The fact is, Sir, that if we want to look at the figures of the past that from 1971 until 1975, our debt has just over doubled. But, Sir, also for the member for Twillingate's recollection, from 1966 to 1971 it tripled. The fact is, Sir, that the dollars are large. The dollars, looking at it in retrospect, some could say are too large, but, Sir, could we do less than we did under the circumstances and the times that we lived in? The fact is inflation affected the value of the dollar, but also people's demands were such, Sir, or their expectations, that elected governments, all elected governments since 1949 thought it was their right. In highways, roads and bridge construction, from 1968 until 1971, there was \$189 million spent on that programme. In our three years, Sir, \$198 million, or virtually the same, just a few million more.

People, Sir, who talk about election years as to when these monies were spent, I might out, Sir, that in 1971-1972, an election year to say the least, there was some \$67 million spent. This year, Sir, five years later, there was \$1 million less than that spent. The fact is, Sir, it was not, as we have been accused, quite the election situation that most people would be led to believe. But, Sir, in hospital construction we are looking at a situation whereby from 1968 until 1971 there was \$17 million spent on hospital construction. In the last three years there was \$104 million, a great deal more, a great deal more was done. But, Sir, as opposed to turning sods, and I can give an example of the one in Carbonear, where the sod, as I understand, was turned some three times, not the least of which was the one by the present Minister of Mines and Energy, but he has to live with that, Sir, even amongst his own colleagues. But the fact is that there were a great many promises for health institutions but except for the extension at St. Clare's Hospital, very little meaningful actual construction had happened at \$17.3 million can well attest to it. The fact is, Sir,

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Premier Moores.

in the last three years and finishing this year the Health Science Complex, the Carbonear Hospital, Western Memorial Hospital and the Twillingate Hospital will have been completed and not promised.

Premier Moores:

New hospital projects are either in progress or in the planning stage, such as the Waterford Hospital, Bonavista, Come By Chance, Burin, Central Newfoundland, Clarenville, Channel, Placentia and the Paddon Memorial Hospital. Well now, Sir, regarding that we have said that these projects in the main have been deferred, Waterford being the exceptions because it is virtually completed. They have been deferred, Sir, but they have not been cancelled, and in the life of this government, please God, they will be gone ahead with, but that is only when economic circumstances allow us to do it. We have built a nursing station at Port Hope Simpson, new community health centres at Deer Lake, St. Alban's, Port Saunders, English Harbour West, Terrenceville and New World Islands. And, Sir, I would say now, and I am talking about health, and about education and these other social needs of our people, who would have said during the time that these things were being done that the people of our Province did not deserve to have this sort of service, and have this sort of facility available to them? I vouch, Sir, to say that very few, if any, person would say that these are not a need. Today is the fiscal restraints that disallow us from carrying on with the others.

The fact is, Sir, in education, in institutions there were \$52.4 million spent before, in our regime there has been \$107.7 millions spent on these same facilities. In industrial development, which I will talk about later, most of our capital expenditures, Sir, has been spent and afloat what we inherited. In housing there were \$8.1 million spent by the previous administration, Sir. In our time there has been \$21.5 million. In that regard on housing I will say one thing more, Sir, and that is we are putting an emphasis together with the federal government on housing this year as I will be spelling out in more detail here in a few moments. But, Sir, housing is one of the things that not only creates employment, not only uses local materials but also serves probably the most labour intensive of all the construction areas. So in this particular case where we are considering these three things, housing has to be taken as a major consideration.

Premier Moores:

In fishery capital works, \$6 million before, \$30 million in the last three and a half years. Sir, I might say here that it is going to be programmes in fisheries and not capital expenditures in fisheries that are going to take the money in the year and the years ahead. Fishery is, I suppose, been bandied around by political parties since day one in this Province for the obvious reason. It also, Sir, has to be the one area, or one of the areas, that has to be taken in hand and come to grips with by any administration that happens to be here today.

In sports facilities, which I suppose a lot of people put very minor emphasis on, the fact is there was \$2.8 million spent in the three years before this party came to power and some \$6.4 million since.

And Sir, whilst it is important I suppose to look at jobs, and to look at inflation and all the other various things that we have to look at in our society, and a lot of people will say recreation is unnecessary, but a lot of young people today want a fuller life and want a broader life and all that goes with it. And in the past four years, Sir, and I think it is worth reading into the record, some twenty-one stadiums have been built in this Province, twelve indoor swimming pools, thirty-five outdoor swimming pools, thirty recreation centres, ninety-two playgrounds, eighty-six outdoor rinks, thirty-six soccer pitches, fifty-two softball fields, twenty-one community centres, tennis courts, municipal parks and so on. Sir, as I say this is not the most major concern of this government, but the fact is that it has been done, and I think the young people of this Province should have these benefits.

MR. SMALLWOOD: And it is good stuff.

PREMIER MOORES: Thank you, Sir.

These things had to be done but, Sir, we are getting away from where we are. I could talk about forest access roads, some 314 miles, arts and culture centres at \$3.4 million, the Fisheries Loan Board \$8.1 million, Rural Development Authority, purchase of the Reid land,

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and on it goes, Sir, in buying back the CELCo shares, if you take all of these figures they had up to very close to \$900 million. Too much, unfortunately, Time back, I suppose we would have changed some of those things but the fact is today has been spent and now we must come to grips with where we are and not where we were.

It is all very well to say that -

MR. SMALLWOOD: Not too much but just too much too fast.

PREMIER MOORES: Pardon, Sir?

MR. SMALLWOOD: Not too much but just too much too fast.

PREMIER MOORES: Too much too fast. And with all due respect, Mr. Speaker, that coming from the member from Twillingate (Mr. Smallwood) is a compliment indeed.

Sir, the fact is, were all of these things necessary? The answer I think is yes, they were necessary. But what we are looking at today is

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were they vital? And the answer to that, Sir, has to be no, they were not vital. I do not suppose there are many things in our society today that one would consider as vital, if you have to have it or not to have it, But to lay blame, Sir, is very easy, To lay blame on why this was done in the age we lived in and in the mood that we had as a people, is a very easy thing to do, but, Sir, that is now past history, and we must now come to reality with where we are. In that I might just point at the past and talk a moment about the future in the area of municipal affairs.

One of the programmes this government has this year, which I will be explaining in some detail in a moment, is in the area of housing. Sir, for a lot of people's information, the expenditures of the department, in the area of housing, has increased some 325 per cent since 1970. Housing has averaged forty per cent of the department's budget during the present tenure of this government. The present year the government changed the road paving and reconstruction programme within the communities from a fifty/fifty basis into a sixty/forty cost-sharing basis. Very recently we announced the new programme which I will be talking about in a few moments regarding grants to homeowners and supplies of building materials. We have also improved the road maintenance grants to councils. It is now \$800 a mile for the first five miles and \$600 for each mile thereafter.

These things, Sir, are important, but as I say I will be dealing with them more fully in just a moment. It has been suggested here, Sir, that we should have anticipated last Spring what was going to happen in Canada. I suppose it would be equally valid to say that Canada, as a nation, should have anticipated two years ago what was going to happen today. The United States did. We did not, Sir. We had resources where we felt, as a country, we could survive this international phenomenon called inflation where Western Europe had suffered before and the United States was suffering now. We thought that we could just casually slip by, that all this happened to other countries, and it could never happen to us.

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The fact is, Sir, that it has happened to us, and it is happening right now in spades. We were a little later catching up to the United States and to Western Europe. Maybe our wealth and our resources allowed us to do that, but the fact is that we have only caught up or we only put it off for a very short while. The big difference today, Sir, is that whilst these countries came to grips with it when it happened, virtually - well certainly the large percentage of Canadians today, Sir, do still not realize, we still do not realize that this dream world of a resource rich country, of a country that just slid along for so long, is no longer a peace-keeping force on the Gaza Strip but a country in trouble on its own, not an international do-gooder who goes out and helps everybody else whenever the chance comes up to do it, but a country who, in fact, has its own problems internally and a country that must deal with them.

I noticed, Sir, the other day that the standard of living in Canada is now the sixth highest in the world, just a very few years ago it was the second highest. The European Common Market has gone ahead of us, quite a few countries, and we are now sixth. Sir, I say that can be corrected, it has to be corrected, but it is going to take much more courageous actions by governments and by leaders and society than has been done in the past. Sir, the fact is that the tax increases were necessary that we brought in this year. We budgeted, for instance, in the public service in the salaries for eighteen per cent increase. The fact is, Sir, that we settled, as you know, at twenty-five per cent. The reason for that, I think, is very easily explainable. It did, by the way, cost us some \$20 million extra, \$20 million more than we had budgeted for which is part of the \$30 million deficit. The fact is, Sir, that some people say we should have stood firm and resisted, but that is easier said than done when we consider that our position was not in anyway helped or aided and abetted by the Atlantic Provinces stance. The fact is that we had catch-up to do. The fact is that before, for instance, we settled with the hospital workers, New Brunswick, which shortly before our hospital workers went to the bargaining table, settled with their hospital workers along the lines of an eighty per cent

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increase for employees engaged in active bed care and sixty per cent increase for employees engaged in clerical and domestic work.

When that,

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as an example set by another Atlantic Province, it is very difficult, Sir, when we say that we are trying to catch up to settle for less. As a matter of fact the skill of the Treasury Board and its negotiators in negotiating at the 25 per cent normal average - or average was one that I think we can be proud of in this government and in this Province.

The teachers, who had settled for an amount far less than their counterparts in other parts of Canada in previous years, fully expected a catch up settlement. With regard to the teachers, Sir, they were one of the few groups that had not even kept up with inflation, the year before in their two year contract, the year before they actually sat at the bargaining table. The fact is, Sir, inflation in Canada made employees requests all that much more understandable as well. The value of the dollar had gone down, they had not kept up with inflation, and it was a very difficult year to make settlements in the public service or for that matter in any other segment of our society.

So what we got, Sir, we had catch-up, plus inflation, plus expectations and that equalled the budget that we are presently looking at. Equalization miscalculation of \$16 million, if you want to call it a miscalculation - and the Leader of the Opposition says very tritely that where is the correspondence from Ottawa that spells out what you can expect in equalization? As he and others well know, Mr. Speaker, there is no specific correspondence that lays out exactly what you can expect in equalization, that depends on the economy of Canada. What can be done is that you can forecast what will happen. The fact is, Sir, that jointly with the federal authorities we did forecast what would happen, but we did not know at that time that there would be tax cuts in Ontario, who now has \$1.3 billion deficit. We did not know there were going to be tax cuts in Quebec, which now has a huge deficit. We did not know there were going to be tax cuts in Alberta, which will not have a deficit for the very obvious reasons that

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we all know about. We did not know that no oil and gas revenues would be included. The fact is, Sir, that no one in Canada forecast the recession we have had to the degree that we have had it. The federal government did not progress - not the federal government, our Canadian nation did not progress for the first time in many, many decades to the degree that we had forecast it would, and when the Canadian government and the Canadian nation does not come forward as we would like to see it, equalization is bound to be affected because our equalization, Sir, only comes from the production and the productivity of the rich provinces of our country and not just the - and the poor ones benefit from that.

The fact is, Sir, we saw increases this year in inflation, I suppose, and the Medicare Commission costs, increased school board grants, grants to special homes, and in the productivity loss through man-hours, man-days and man-weeks and so on which I will be talking about in a few moments time. We did increase the minimum wage from \$2.20 to \$2.50 because we thought it was necessary for those at the base income to be protected a little more than they were. But, Sir, when we come to the taxation itself and the taxes that have been used by this government, the fact is that the retail sales tax is the most important single source of revenue for the government. I admit that it is not the fairest tax in existence today. Sir, the simple fact is that each point on the retail sales tax provides some \$14 million to \$15 million for the government and for the people. The fact is that the 9 per cent or 10 per cent was examined very closely, and I will come back to that, but the fact is, Sir, what we looked on the retail sales tax was what were the essential things that people needed and what were the non-essential things? Today we have no tax on food, no tax on clothing, no tax on heating fuels or coal, no tax on school books, and the housing programme that is being brought in both through the grant to new homeowners and to the building materials for those repairing their homes will be the equivalent of approximately 5 per cent of a sales tax. And the

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reason the sales tax reduction was not given to the homeowners and to the people who are repairing their homes is because it was felt by Ottawa and ourselves that instead of a reduction in tax where the cost then is passed on by the person who sells these materials but rather it is better to give it to them in a grant after the deal has been done to make it meaningful.

MR. SMALLWOOD: Mr. Speaker, would the hon. gentleman allow me to ask him - is it literally correct that there is no Government of Newfoundland taxation on school books? Is that correct?

PREMIER MOORES: That is correct, Sir.

MR. SMALLWOOD: I am glad to hear it. It is correct, is it?

PREMIER MOORES: Yes, Sir, that is correct.

SOME HON. MEMBERS: Hear, hear!

PREMIER MOORES: Regarding the

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sales tax, Sir, we had an option, we had an option of 9 per cent across the board or 10 per cent for the real nonessentials. It was felt by this government that a drop in the tax completely on essentials was more desirable, such as food, clothing, heat and say 50 per cent on shelter, was more important and more desirable than 9 per cent across the board.

There was some argument about, there is no tax room in the future. Well, Sir, I venture to say there is very little tax room in the future, but there is programme cutting room possibly in the future. But the fact is, Sir, that what has been done here is that the low and fixed incomes and middle incomes people are better off than before because food, shelter, clothing, these necessities of life are now tax free as far as retail sales tax is concerned. There are other areas where people must have things that are still taxable. But, Sir, a lot of the things that are now taxable are nonessentials. In other words, what we are heading for, Sir, is the luxury tax - we are not there yet - but a luxury tax, Sir, is not an arbitrary tax with the penalization of the people on lower incomes.

For example, Sir, one figure I think that is worthy of mention is that 62 per cent of the budget of the average family in this Province is spent on clothing, food, heat and shelter, 62 per cent.

MR. SMALLWOOD: And all tax free.

PREMIER MOOPES: And that, Sir, basically is all tax free with the shelter being the equivalent of about 5 per cent as opposed to 10 per cent.

MR. SMALLWOOD: Provincial tax.

PREMIER MOOPES: That is provincial tax and the retail sales tax I am talking of.

AN HON. MEMBER: What about federal?

PREMIER MOOPES: Federal tax, Sir, has 11 per cent tax on building materials, which is unfortunate, but which unfortunately we cannot

influence.

MR. MIPPHY: What else?

PREMIER MOORES: What is the major one on - none that I know of on clothing or heating fuel or food. There is certainly none that I know of.

The other step, Sir, we took as this time was to raise the income tax by an average of 2 points on the average family which through the documentation we have seen in the budget is not an onerous tax on anyone earning less than \$25,000 a year and certainly I think income tax is always basically the fairest tax. But I want to make one point, Sir, is that the retail sales tax as it is presently applied is a much fairer tax than if it was across the board. The fact is that the middle and fixed and lower income people do have a better deal than they ever had before. That is, Sir, a fact and not a fallacy.

Sir, we have got to look at, I suppose, one of the most serious aspects of where we are as a Province. That is the programmes of government restraint. We have to take some very strong and very tough positions regarding government's own performance. It is all very well for us to look at labour and to look at management and to look at the individual and say to you that you have to self-discipline and curtail your expenditures and what you do. But, Sir, that should not, nor can it be done, without government showing the way.

Sir, whilst these programmes are going to be tough - and I will be getting into them in a minute - there is light at the end of the tunnel. We are a very rich Province, and it can be done. What we are doing now, Sir, in effect is for our own good because if we do what has to be done today, we will have a brighter tomorrow. But if we do not do what has to be done today, Sir, I venture to say that tomorrow will be much darker, very dark indeed. We have to cut back on public services. We must cut back and set an example on government spending. We must cut back on programmes and performance

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of what we would like to do. The challenge is there and the resources, Sir, and the resource area of our economy will be our priority. But as the hon. member for Twillingate (Mr. Smallwood) says, we must cut back on our borrowing. Of course. That is part of it.

We have, Sir, and we plan to do, freeze all hiring and overtime within the public service except in the case of hiring where the person is absolutely needed. Major construction programmes will, and has been spelled out, will be deferred. That is not easy for the person who is expecting a new hospital or a new road or a new whatever, but the fact is there is no choice. We together with them, - governments do not do this because they want to. Governments do this because it is responsible to do it.

Sir, before going on with all these things we can overtax. I say we are close to overtaxing our population right now.

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I say, Sir, that at this particular point in our history cutting on programmes, cutting back on expectations, cutting back on services is what we are going to have to look at rather than increasing taxes over and over again.

MR. SMALLWOOD: If the hon. Premier will allow me, to clarify the matter, to clear the air, what the hon. gentleman is talking about is the next couple or three years, not the rest of our history, but the next year or two or three, right?

PREMIER MOORES: Yes, Sir, I would hope so. The fact is that I think what we are talking about here with the help of the hon. gentleman from Twillingate (Mr. Smallwood), I think what we are talking about here is facing up to reality as the federal government has said for three years in their case, as the provinces have said, we will go along with wage and price control for eighteen months and then review it. Of course, Sir, we are talking about the immediate and not the long-term. I think the future of this Province in the long-term has one of the brightest futures of any part of Canada or any part of this world for that matter. We must come to grips with reality now. We must take these programmes and come to grips with them now. What we are saying, Sir, for instance in hospital construction, is that we are deferring them for one year, at least, one year when they will be looked at again. Then they will be looked at and according to our economic position, other decisions made.

Sir, we must look after our own housekeeping internally.

The fact is that cutbacks on waste or fat or extravagance or whatever you want to call it, within the government itself, has to be the first thing to be dealt with. Minor things like elected members and officials, the elected members and the officials of government, will not be travelling first-class, okay, fair enough, that is not very major, the same orders to government agencies. No official government dinners or receptions will be held except where circumstances are exceptional. Sir, this is not politically palatable or desirable but the fact is it is realistic. Ministers and officials have been directed to limit official entertainment. The Speaker's reception, Sir, you might remember, was dry as was the Minister of Finance's as a matter of fact, his was nonexistent, I think, if the truth were known.

MR. SMALLWOOD: (Inaudible)

PREMIER MOORES: Sir, that was not his personal one, that was the one for the press.

It has been ordered that temporary employees, who are presently being employed by the government, be let go wherever possible; that hirings be limited to cases where they are absolutely essential and cannot be done without. In other words, Sir, there will be no new hirings within the Civil Service this year except for key personnel. Health care costs have to be looked at, Sir. The fact that the capital costs of a hospital, for instance, in two or three years repeats itself in current costs. I do not know if people realize that around this Province, Sir. If a new hospital is built for \$20 million, like the hospital at Carbonear we will use as an example, in three years it cost \$20 million to keep that hospital in operation on a current account. So every new hospital that is built, every three years in current account, it costs the same amount to keep that hospital open. Sir, that boils down to the fact that retrenchment and the cutting of programmes is really what we are talking about. Sir, we may be talking about steps as critical as not just stopping hospital construction, we may be very well looking at before the end of next year, the possibility, if needs be, of cutting down on hospital beds, if that has to be done, hospital beds in existing hospitals. The fact is, Sir, school boards, even though they are autonomous to a very large degree, they also must be made to realize that there is no money tree and that restraints and cutbacks may be in order in their arena as well as in ours. The fact is as we have said many times that seventy-five per cent of our budget, our current account is inflexible. Well, Sir, it is only inflexible if we keep up the services we have. The fact is that it may have to become very flexible by cutting back some of the services we presently have.

People, Sir, have got to realize, people have got to realize that these are difficult times and it is going to take difficult measures to deal with them. That, Sir, will be the message of this government. Do you realize, Sir, that we are one of the very few provinces in Canada that does not have a premium for hospital services? Maybe we do have to look

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at a premium for hospital costs. I am not saying we do, but it is something that we may have to look at. Sir, in my opinion, the federal government, when we saw them at the Premier's conference- or the first minister's met with the Prime Minister not long ago, it was the intent stated by the Minister of Finance that the fiscal and monetary policy of Canada would not be affected by the wage and price control. Sir,
I

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said then and I will say now that there is no way any federal programme will be effective as long as their fiscal and monetary programmes are not slashed as well. Sir, by slashing them this Province is going to find it as much as any others. But I think with our unemployment as it is we can afford it least of any other. I think the federal people realize this but I think also they are going to have to play their part in setting the example if we are going to fight inflation.

As I say, Sir, it will hurt us to a degree but it has to be done. The fact is, Sir, that Ottawa have taken some steps like cutting back on overtime in their employees. They have talked about no new furnitures in the minister's offices and this sort of thing. That Sir, is not enough. The social programmes of Canada today outweigh, unfortunately, outweigh the fiscal responsibility we find ourselves in. I suggest, Sir, that the federal government, we will find the federal government having to curtail the expansion of social programmes as we have known them in the past. It is something certainly that Newfoundland does not want to see. It is not something that our people really are prepared to accept. It is something, Sir, that all Canadians are going to have no choice but to accept.

Municipalities in our own Province have to limit their expectations. They have to limit their expectations, Sir, to their capabilities to pay. The day of the two dollars a month water and sewerage project has long gone. The fact is that no water and sewerage programme can be put in today at two dollars a month or five dollars a month or ten dollars a month. Well, ten dollars a month I guess is getting close in some cases. But the fact is that these very extensive projects, Sir, just do not come out of the air. They have to be paid for by the people. I suggest, Sir, they will have to be paid for by those people who are demanding them.

Sir, as I said, we have housing, we have the necessity for them. But we are talking about the ability of this Province to manage and meet the challenges and crises at hand. This, Sir, brings me back to the main, I suppose, the main theme of what I am saying. Our

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people must realize, Sir, that we have a future, that we have a bright future, but the challenge is greater than we have been used to for a long while. The fact is that there is a crisis, not just in Newfoundland and Labrador but also in our country and in all other provinces, and for that matter in the Western world.

Governments have to cut back. We, like the individuals, Sir, have been cutting it high, wide and handsome. In this regard, Sir, whilst I say that governments have to cut back also management has to cut back. You talk about the food freeze, or the freeze on food that the supermarkets have gone through, that is to be commended. But, Sir, there is more than that has to be done. Greediness and selfishness in the corporate world today should be punished if it is abused. It should be punished in no uncertain terms by provincial or federal governments, whoever is responsible, and that, Sir, is also part of the things that have to be done.

Not least, Sir, is labour. The labour movement in this Province have got to face reality. The fact is, Sir, up until November this year there were 293,000 man-days lost in eleven months, three times what it was the year before, 1200 men or women on strike every working day of the year, 1200 men off the job. The fact is, Sir, if we are to compete as a country and if we are to compete as a Province, productivity must be our guideline, it must be our objective and with that sort of man-hours lost, that will never be achieved.

SOME HON. MEMBERS: Hear! Hear!

PREMIER MOOPES: Now, Sir, we are looking at wildcat strikes, legitimate strikes, the whole ball of wax. In this Province I think it is fair to say that the labour movement have made a great deal of progress in a very short number of years. But with progress there goes responsibility. That has not been the case in all cases in this past year particularly. The fact is, Sir, that strikes in the essential services are something that I would suggest union management look at with great responsibility because responsible they must be. Because

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the fact is, Sir, that government nor our people will ever again, or not for the foreseeable future, go along with a responsibility just for the sake of proving a point.

The fact is, Sir, a lot of people will argue today about the right to strike in essential services, whether it should be final offer selections or whether it should be binding arbitration. The only way

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that unions of today can offset that becoming a reality of tomorrow , I would suggest, Sir, is by being responsible and realizing that their part in society is to play their part as well. I might say, Sir, that last year Newfoundland's down-time was twice the Canadian average. Sir, if we are going to live within the Anti-Inflation Board's guidelines, which we must, we have no choice because we have got to go along with the federal programme. I may not personally agree with the method that people have laid down for that programme, but the fact is that is the only programme that is presently in existence, and whether we totally like it or totally dislike it is really academic, it is there to be tried and it is this government's, management's, and labour's responsibility to try it. The fact is, Sir, your government will act rapidly. At any time when we see productivity or at any time when we see irresponsibility loose in this Province within the next year.

The fact is, Sir, that our Province - having said all of the things that we must do and all the things, the hard points that we have to live up to - the fact is then our Province does have hope, even though it may have sounded at times this afternoon that it did not. The fact is, Sir, our Province does have a great deal of things going for us. But, Sir, we have got to switch the pitch somewhat as to what we are going to do in the future and how we are going to do it. Jobs must be created. But, I suppose, Sir, it is fair to say that the jobs that will be created in the next year or two will not be the glamorous ones of the past, the ones that have been promised but very few achieved, but rather the less glamorous ones that in fact our people are more equipped to do. The more mundane things like handicrafts whereby a government becomes involved in ensuring that supplies for the handicraft industry in our society are made available, whereby there are groups set up to ensure that the quality comes up to a certain standard, and whereby the marketing of our products is not just for Newfoundland but do have the international flavour of the Norwegian knitware or the Icelandic sweater or what have you, but something that people can take pride in and do. It is not very glamorous,

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something that people can take pride in and do. It is not very glamorous, but it can be done.

The area of fish farming where - it is being smirked at on the other side - not a major thing admittedly. The fact is, Sir, that it will create jobs, it will create productivity; smoking eels, all these things, all very minor, but there are enough of them put together that can make an impact in certain areas. The blueberry one, which came into so much ridicule a few days ago. The access roads to blueberry grounds, the blueberry farms that can be done, the cooking of the product, preserves or fish as well. Take for instance, Mr. Speaker, a small pilot project in Conception Bay and one in Bonavista Bay to further treat the berry industry which has a potential of about 6 million pounds to 8 million pounds - take that as an example of what could be done. While a lot of people in this House do not realize I suppose, Sir, is that Table Top Foods is an example operating in the New England States to some 4 million to 5 million pounds of our berries employs some 400 to 500 people all year around. That, Sir, maybe is something to be sneered at by people across the way, the fact is that -

MR. SMALLWOOD: Hold on now!

PREMIER MOORES: - that sort of thing - some people across the way. But the fact is, Sir, that these things are important.

Rural development opportunities - there is a great deal that has to be done here in the way of helping with management expertise, co-ordinating our effort in the way of rural development as to which areas we can help most. The fact is that sawmills, for instance, can have central yards for the buying of lumber, for the upgrading and the marketing of lumber, so that there can be a stability on the market return to the people in the sawmill industry. These things can be done, Sir. Agricultural products, the same as all government departments, that our product in the agricultural field is used first in our own institutions, as they can be. The same thing with our sawmills and our lumber production. Not major stuff. Not big. But things that

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can be done and things that cost very little money.

MR. SMALLWOOD: Would the hon. the Premier allow another rude interruption? I am so much in agreement with what the hon. gentleman is saying, whether he is interested or not in my interest, the fact is that I would like to ask him is he overlooking the tens of thousands of bright young Newfoundlanders who have been pouring out of the University and the trade and technical schools? They too, you know, they are not just going to go back at handicraft and picking blueberries and what have you.

PREMIER MOOPES: Like the hon. member from Twillingate (Mr. Smallwood), Sir, I have not finished yet,

PREMIER MOORES: so I will come to that in a moment.

The fact is, Sir, in the fishery, which I will come to now, is that there are different boats going to be required, new programmes will be required. But, Sir, before any fishery can be talked about in this Province, if we are talking about a middle-water or a near-water or inshore fishery - whatever we want to call it - before that will ever be viable again to a meaningful degree the 200 mile limit has to come into effect. Now that can be done through negotiations, like there has been with Norway recently - which for all working purposes is the equivalent of. It can be done in many ways. But the fact is, Sir, until that programme comes into effect it will be impossible to have the inshore fishery at the stage that we or they or anyone would like to see it for the very simple reason it will, until that comes into effect, programmes will have to be subsidized, people in the industry will have to be subsidized and that is a reality of life.

Sir, when we talk about putting in the 200 mile limit there is one thing that I do not think many people have realized what will happen. Canada gets first crack of the whip when we go out to fish on the Continental Shelf. The fact is, Sir, today for every one ton of shipping leaving Canada to fish there are eighty-three tons of Europeans out there. Now that is boat capacity I am talking about not catching capacity.

The fact is, Sir, when we have the right to catch this fish on the Continental Shelf it will mean that we as a Province nor as a nation will have anywhere near the capacity to take the total sustainable yield. We just will not have it. Sir, if we are not going to have it then we should be doing something about it now.

When we are talking about these huge and really magnificent fleets of European ships that are fishing out there, some of these people have already been in touch with us saying that we know that we are going to have to take our ships home, we know that we are not going to be able to fish, we know that you are not going to be able to catch it. So we go for half-time, which is totally economically

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unfeasible - not feasible - or we start to co-operate now. The possibility is, Sir, the real possibility is, that we can talk to some of these countries and get their ships landing here. With their ships landing here it is not interfering with the inshore fishermen, it is not interfering with South Coast fishermen, the fact is, this is still within the quota sustainable yield basis that the International Conference of North Atlantic Fisheries and the Canadian Government will have set down.

MR. SMALLWOOD: If the hon. the Premier will allow me again:

Does he suggest - this thing for years has been absolutely fascinating to me and the hon. gentleman may remember that I was active in it with the Portugese the Japanese the Spanish and so on. Does he suggest that this fish should be landed without the payment of duty to the Government of Canada, landed in bond in Newfoundland, processed in Newfoundland employing all Newfoundlanders except for a few key technicians, perhaps, and what does the hon. gentleman suggest should happen to the fish after it is landed, by some arrangement, processed, what should then happen to it? Should it be required to go back to the countries of the ships of origin or to be allowed to be marketed in competition with our own locally caught fish? Would the hon. gentleman address himself to that because this is surely one of the biggest questions to come before our attention for decades past.

PREMIER MOORES: That is right. Gladly, Mr. Speaker. I will gladly answer those questions asked by the hon. the member for Twillingate (Mr. Smallwood). The fact is that the idea would be to have the fish either land in bond or to have them register as Canadian ships put through Canadian companies and move, in fact, to Canada/Newfoundland.

MR. SMALLWOOD: But they would not pay duty.

PREMIER MOORES: No, that is for the boat now - have the boat actually fish as a Newfoundland boat.

MR. SMALLWOOD: The boat nor the fish would not pay duty.

PREMIER MOORES: The boat nor the fish would pay duty.

MR. SMALLWOOD: Neither.

PREMIER MOORES: Right.

The fact is, Sir, that what we want to do is not just have one processing centre, an in-bond port, if you like, but rather to supply the presently very under-utilized fish capacities in this Province. The fish plant capacity in this Province today is being utilized less than 30 per cent of the possible capacity and that, Sir, is no way for any industry to be competitive, it is no way for any industry to even survive. We have been very fortunate in this Province that we have been allowed to.

The idea would be, Sir, to land this fish here, either as landed ships that have registered in Canada or have by agreement with the Canadian Government will land here, either one or the other, process the fish, and what a lot of people also do not realize, Sir, is that the American markets have always been considered the traditional frozen fish markets for Newfoundland, the salt fish has always been Portugal, Spain, Greece, the Caribbean and Brazil, I suppose. The fact is, Sir, that by this system when the

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mile limit comes into effect, when the Europeans are not catching the quantities they are catching now, the fact, I would suggest, Sir, is that the best market, the most lucrative market, those people best able to pay and those people who want the product most will be the Europeans more so than the traditional American market. I would say the American market will stay as it is now. But the fact is, Sir, that the British eat something over thirty-two pounds per person per year. The Germans in Northern Germany over forty-four pounds per person per year, and the United States is between six and seven pounds per person per year.

The difference, Sir, is that Europeans know fish. They like fish. Americans, and Canadians for that matter, have fish in the main because it is either a cheap meal or it used to be Friday. I have to talk to my colleagues, some of my colleagues about that, Sir.

MP. SMALLWOOD: This would be a higher quality because it would be a quicker turn-around.

PREMIER MOORES: That is right.

MP. SMALLWOOD: But would the hon. the Premier inform me of this: The fish that would be brought in in that way to existing plants that are now under used, would that fish lose its identity in those plants or would it be kept separate from the, what you might call, the locally produced fish?

PREMIER MOORES: I think, Sir, it is probably too early at this time to say exactly how that would be handled. I would think probably it would be on a bulk contract basis, based on world prices so that there would be no in-house deals but to get the maximum return. I think that is the sort of detail, Sir, that certainly has to be worked out as well as a great many others we are talking about here. But the principle really is what I am driving at this afternoon, and the same applies to herring reprocessing and so on.

Now, Sir, to move on to the next subject in resource development: The management plan for the forestry management of our Province which

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has such a traumatic effect on the sawmill operators of the Province and Labrador Linnerboard Mill of which we have more than half an interest in, the fact is that forestry plan will be brought into being, I would hope - I hope the minister is listening - very quickly. The fact is that we have to set a deadline on that and make sure that that becomes manageable and operable very quickly.

We have to encourage, Sir, mineral exploration and production. The fact is that the mineral resources of this Province have been vastly under-explored. Some would say it is because of the concessionary system that has gone before, and that from year to year is changing to a claim staking system very rapidly. Sir, whilst all these rural development and resource development industries of what some people in this Province consider mundane, the fact is, Sir, the fishery is almost looked upon as mundane today in this Province, certainly in Canada. But the fact is if you go to Europe today, if you go to Grimsby in England, if you go to Hamburg, if you go to any of these large cities in Europe they consider the fishery to be a major industry. Sir, I say it can be here. But most people consider these things fairly mundane and that has to be changed.

But, Sir, larger industries must also be established. The fact that you are talking about resource development does not say you are doing away with industrial development as we have known it. But there has to be a difference, Sir. The larger industries and the industrial development has to be based on those things that are natural to us, primarily the basics but a re-emphasis of effort to the resource based industries. But the fact is larger industries must be carried on with as well.

I will give an example, Sir, of what I am talking about. If we have an industry, for instance, if offshore oil - I have to underline the ifs, Sir - is discovered and concrete platforms such as they are building in Norway today are necessary, it is totally natural to build these in Newfoundland and Labrador. The fact is, Sir, you are looking at - when you are talking about a concrete platform, you have

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limestone in Port au Port, you have the labour, you have the deep water port, you have the human resource to build them and so on. That is totally natural to us and very little importation of market or of goods, we can do it here. That fact is, Sir, that is the sort of thing - a zinc smelter, For instance we have a zinc mine on the Northern Peninsula now. The fact is with another zinc mine of almost the same size or a little larger, a zinc smelter would be a bona fide and reasonable operation.

If it is something that is based on something we have and something we are geared to do, of course heavy industry should be looked at and encouraged in every way possible. Well, Sir, I have gone through what I think has to be done in the way of cuts by our own example, talking about the responsibility of other groups in society, talking about our taxes and why the increases were necessary and talking about resource development and where we are at.

Me, Sir, are

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proud of the record of this government of the past few years, and the ambitions and the aspirations of this government in the coming years and the years ahead will be indeed major. Our responsibility is to create jobs and to combat inflation. I will be talking about that just before I close, but before I do it would be wrong, Sir, for me not to respond to the Opposition- the official Opposition, that is- on the attitude they have taken in this particular debate.

Sir, it is almost incredible that the official Opposition of this Province could say that we should away with the school tax, knowing the situation as it is, that we should re-install the mothers' allowance. They have said, Sir, that education, salaries, grants to school boards, busing and so on must all be improved. They have said that health, grants to boards, clinics and hospitals must be built because the people need them. No one is arguing with these things, Sir, but what they do not say is how they are supposed to be paid for. They do not say- by the way, there is no tax increases to go along with this either. There is no programme with Ottawa. There is borrowing. How much borrowing should we do, Sir, and what deficits should we run up? One election promise by the Opposition that all highways will be paved in this Province in three years, just for the sake of the record, Sir, that would cost \$285 million per year, which is over double out total borrowing for every other thing today. Municipal Affairs and housing, water and sewerage should be approved. There should be tax reductions, not tax increases. Resource departments, there is a lack of constructive ideas as what should be done. They say it should be done but they do not say how. The fact is, Sir, that their attitude in this whole debate has been one where platitudes have come easy but responsibility has been impossible. I would suggest, Sir, with all due respect, to my many friends in the official Opposition, and I say this with all due concern and sincerely, that at this particular point in our history this is not the time for even games that one can get away with. This is a time for responsibility

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of the game of making this Province survive and getting on with the job that has to be done without the political platitudes that we have heard.

SOME HON. MEMBERS: Hear, hear!

PREMIER MOORES: I will not, Sir, spend, and I had a great many notes here on talking about the position of the Opposition but I will not because I think there is no mileage in just standing here and slamming what someone has said and slamming you. I think there is very little future in that for any of us. But, Sir, in closing I would like to say that the quality of life that we have in our Province, even though most of us in this Province probably do not realize it, is unique. We have a way of life in our Province that is something that would be the envy of most people living in this world but we naturally take it for granted, I suppose in many ways so we should. We have, Sir, some of the things that people living in other parts of the world would give a great deal to have. As a matter of fact two friends of my wife and myself were down here last week for their holidays - the first week in December, if you can imagine that - but they found the people of this Province, the way of life in this Province, the environment of this Province itself, to be so unique as to be just something that, as I say, we far too easily take for granted. The fact is, Sir, that in our Province today, I say our problem is more sociological than it is economic. We have economic problems, and there is a lot that has to be done about it. But the biggest problem we have is changing the attitude of our people so that we do realize how well off we are, that we do realize that the things we have are worth a great deal, and that we do realize what has to be done to combat and save our Province for the future.

Sir, one of the ironic things that happened this year that surprised me was the farm that was set up out here in the Goulds or Kilbride, wherever it was, where there were some 400 farm lots for the city dweller to use to grow his own vegetables if he wanted to. All those lots were over-subscribed. People went out and grew their own vegetables and got a kick out of doing it, and it worked very, very well. It cost literally nothing. The ironic part is, Sir, that here is the urban dweller who is doing this - and we will have a great deal more of it this year by the way and other urban locations in the Province -

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but the ironic part is that there are so many people living in rural Newfoundland who used to do this as a way of life who today will not do it under any circumstances. That seems so

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peculiar to me to find the city dweller going and growing his own vegetables and the rural dweller, who did it for so many years, refusing to do it today. There is something here that has to be looked at, Sir, as far as our attitudes are concerned and our values are concerned. It is not a stigma. There is no stigma attached to the fact that one is self-sufficient.

I can give an example of the man who the hon. member for Twillingate (Mr. Smallwood) and the hon. Leader of the Opposition and other people well know, Mr. Bob Hamm who works in the vocational school and down in the dining room here. I asked him the other day what his monthly grocery bill was for five people, and he told me eighty dollars a month. I could not believe it. The fact is he raises some sixty sheep. He has got his fish down for the winter. He grows his own potatoes, turnip, cabbage. The man has got his own lobster. He has his own berries. But this is something he does on his weekends. This is something he does as an unusually enterprising man. But there is a message there, Sir, that certainly I suppose all of us could, if we cannot all do it, we can certainly respect it.

Sir, in Norway which is not unlike Newfoundland - it is richer in many ways today - but I would suggest, Sir, it is richer in attitude than in any other way. There was an article in the paper the other day and it says that the polls show Norwegians favored quite and simple life. The Gallup poll done in Norway, Sir, showed that - and it is a rural community in the main except for Oslo, Stavanger and Bergen, but in the main it is a rural community. Norway is very similar to Newfoundland - seventy-six per cent of those asked said the standard of living was too high. Only one per cent found it too low. Seventy-four per cent said they would prefer a quieter and simpler life.

This I find incredible. It shows a maturity, I suggest, Sir, or maybe an over-maturity, maybe almost a reactionary thing, to our world society. It shows something though that we, as a people, could look at as well. Because I do not suppose there is any

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parallel situation more similar to Newfoundland's than the country of Norway, I think, in the makeup of its people and the makeup of its terrain and the makeup of its industry.

Sir, as I say the quality of life is really what is important in this Province. The future of this Province, as I have said before, is there to be had. But it is only there to be had if we, the people who live here, have the ability and the determination and the wherewithal to do it. It means, Sir, that we are going to have to pull together, and that means members of the Opposition and members of this side as well. The challenge is tough. But, Sir, if we expect our people in this Province to respond to the challenge, we in government, the Opposition, all members of this House must show an example by also responding to the challenge in a meaningful and positive way.

Sir, the time has come for us as a province to face reality. If we face reality today, tomorrow will be much brighter than even we realize. But if we do not, as I said before, it is going to be a bitter day indeed. We must face reality. Sir, I do not think there is any question that we will all be better off in the long run. Thank you.

SOME HON. MEMBERS: Hear! Hear!

MR. SPEAKER: The hon. member for Trinity-Bay de Verde (Mr. F. Powe).

MR. F. ROWE: Mr. Speaker, the hon. the Premier has not enlightened this Assembly whatsoever with respect to any questions or enquiries this side of the House has put to him since the amendment, the sub-amendment and now we are into the main motion. Sir, the Premier has failed utterly to answer one single question or enquiry that has been put to the government side in this debate, and this is our major complaint because this has been our complaint over the last three or four or five-four years. Sir, the Premier stands here today and accuses the Opposition, the official Opposition, of being irresponsible during this debate thus far, of being irresponsible. Why are we being accused of being irresponsible? Because, Sir, the

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hon. the Premier suggests that we are playing games, playing games!

Sir, we have stood here time and time again in sittings past and during this present sitting and have asked the government to level with the people of this Province with respect to the financial situation.

Mr. F. Rowe:

Now we are being accused of playing games. Sir, nothing can be further from the truth. Sir, I would suggest that if anybody in this Province should stand accused of playing games it is the administration of this Province at this present time, particularly during the election campaign. Who was playing games then, Sir? Who made all of the promises? Who set the stage with respect to our financial position leading into that election? Sir, if there is any group of people in this Province today who stand accused of being irresponsible it has to be members opposite who survived that election, and who did not indeed survive that election. Because, Sir, a misleading picture, and I am not saying a deliberately misleading picture, but a misleading picture, a false picture, an untrue picture, certainly not a correct picture was painted of the financial position of this Province. In this hon. House, Sir, with a few members and certain members of the press and a few spectators in the gallery, it was in this House that we came close to the truth - it was in this House that we came close to the truth with respect to the true financial picture of this Province. It was in this House, Sir, I repeat, with only a few spectators, a few members of the press and the fifty-one members of this Assembly present, that is where we are starting to come close to the truth, Sir. What was irresponsible, Mr. Speaker, was the fact the members opposite during a campaign, person to person, on the hustings, via the printed media through advertisements, paid advertisements, and through radio advertisements, and through the powerful influence of TV advertising, this administration, Sir, painted a completely different picture from the one that we see before us today. That is irresponsibility, Sir, of the first order aimed at the electorate, aimed at the voter, aimed at the adults and the children of this Province in the three weeks prior to September 16, and the weeks and months leading up to that election. There is the true irresponsibility, Sir, not the criticism and not the words of the official Opposition during this Assembly.

Mr. F. Rowe;

Sir, quite frankly I could not believe my ears in listening to the Premier of this Province, Sir, who I said the other day was a very and is a very astute politician, but I have grave doubts about the Premier's capacity to administer this Province. But, Sir, it is very difficult to sit over here and swallow the charges made by the Premier today when we asked a few questions to which we have not received all the answers yet, and we witness a three week intensive campaign of painting a false picture of the true financial position of this Province, Sir, because how can this administration give the impression that the Lower Churchill is ready to go? And I said before, and I will say again, it was not the members of the Liberal Party who blasted off the dynamite on both sides of the Straits of Belle Isle,

Mr. F. Rowe:

It was the hon. Premier who blasted off the dynamite, and, Sir, must have known the problems that we are now encountering with respect to the development of the Lower Churchill. Sir, it was the Premier on Here and Now - look, Mr. Speaker, the Premier says one of the three main reasons why his government has had to take the action that they are taking - let us call it the restraint programme, the deferral programme, or the truth programme, whatever you want to call it - the three main reasons for their price and wage controls by the federal government, that was one reason; the inflationary spiral - well the price and wage controls or guidelines are meant obviously to take care of the inflationary spiral; and the Gull Island problems - the Gull Island project problems. These were the three major factors that the Premier suggested today for the restraint programme.

Now, Sir, if that is the case why do we only hear about it in recent weeks? The Premier of this Province, Sir, went on television immediately or some days following the Prime Minister's statement of philosophy or policy with respect to the price and wage guidelines, and Premier went on Here and Now on CBC and stated before the people of Newfoundland that he had been urging the Prime Minister of Canada to take this action for some eighteen months. Well, Sir, if this is the case, if this was the case, and the Premier of this Province had been urging the Prime Minister of Canada to take this action for eighteen months, for a year and a half, what business did the Premier of this Province and his colleagues have in going around saying, "Gull Island: A-Okay! Ready to go, ready for blast off!" What business did the government have in going around promising new stadiums in this Province? What business did the Premier have in going around promising that the new hospitals were going to go ahead on schedule, sticking up signs on the Burin Peninsula? What business did the Premier have in making inflationary settlements with the public service and with the teachers of this Province? Wherein lies the irresponsibility, Sir, admitted by the Premier, again on TV, if I can quote the Premier,

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admittedly, the Premier said, admittedly we have made some inflationary settlements over the past few months." These are the words of the Premier of this Province, Sir, these are the words of the Premier of this Province when he said he was trying to convince the Prime Minister of this great nation of the necessity for taking anti-inflationary steps. Sir, if the Premier of this Province was trying to convince the nation or the leader of the nation of the need for taking anti-inflationary steps, why in the name of the Lord was he making inflationary settlements in his own Province, and of all provinces, Newfoundland?, probably the province which is least able to make these inflationary settlements with the public service and with the teachers? Sir, it just does not add up.

I ask this House, Sir, who is being irresponsible when these kind

MR. ROWE:

of strange activities are going on in our Province? Sir, the expectations and the aspirations of our people have been risen far beyond the level that any government in this Province can ever reach. Sir, this is sad and cruel and I do not know what words to use - I will only have to use unparliamentary words - to describe the way I feel about any administration, any leader who would raise the aspirations of our people, Sir, knowing full well that we were heading into a current account deficit.

Sir, it was not this administration - let me put it another way - it was that administration opposite, Sir, the P.C. administration, who doubled the debt of this Province in one term of office. They ask why we are in the mess we are in today? Some hon. members have the bile or the gall, or whatever it is, to describe it, to get up and say we are in this mess today because of what they inherited from the previous administration. Sir, it took the previous administration twenty-three years of service in this Province to build the debt up as much as the hon. gentlemen opposite have done in one term, in three and a half to four years.

So, Sir, it just does not wash down, it does not go down easily to hear charges of irresponsibility and saying that -

MP. SMALLWOOD: Mr. Speaker, would the hon. gentleman allow me?

MP. F. POWE: I think the hon. gentleman, Sir, from Twillingate (Mr. Smallwood) has asked the same question before. I kind of anticipate -

MP. SMALLWOOD: No. The hon. gentleman speaks of a sort of equality in the amount added to the public debt by the present administration and by the former administration. Does he not realize that the former administration added a total in twenty-three years of \$700 million to the debt whereas the present administration on exactly the same, comparing likes, not comparing apples with oranges but comparing apples with apples, has added \$900 million, \$200 million more?

MP. F. POWE: Yes, Sir, Mr. Speaker, I realize the details and obviously as I, in fact, sort of anticipated the point that the hon. member for Twillingate (Mr. Smallwood) was about to make. If you want to get detailed about it you would express the figures as mentioned

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by the member for Twillingate (Mr. Smallwood). But for the sake of simplicity in comparison I am simply saying that the hon. members opposite, the administration opposite in terms of debt position have simply achieved - now this is the same crowd, Sir, hon. crowd that were screaming in 1969, in 1968, in 1967 and 1966 that we were on the verge of bankruptcy because of the borrowing policy. Now, Sir, this same hon. group have doubled the debt, for the sake of comparison, have achieved that same level in one term that it took the previous administration twenty-three years to achieve.

So, I am saying, Sir, now how come we do not hear - well we hear now after the election, we hear half the truth. We hear the grave financial situation we are in. But, Sir, in no way in this world can the administration opposite weasel out of the fault for this position by suggesting that all of this is caused by what they inherited from the previous administration nor because of the inflationary spiral nor because of the price and wage controls set forth by the federal government, nor - well in part - by the Gull Island project. But who is to blame, Sir, for the situation on the Gull Island project? Who is to blame for that?

Mr. F. Rowe:

While we agree, Sir, in principle, with ownership of our hydro resources in this Province, while we agree in principle with that, if we knew the details of the debt that we are likely to assume in the development of that natural resource we would have very grave questions to ask concerning it. And, Sir, that is a debate for another time. As I pointed out some years back ownership of a developed natural resource and ownership of an undeveloped natural resource are two entirely different things. We have now ownership of an undeveloped natural resource in the Lower Churchill and of all the other rivers in Labrador and some rivers in the Island of this Province, and it is going to cost money to develop that. And, Sir, the government has not demonstrated their capability of raising the money, nor finding the markets, nor putting together the team to exploit these resources that we have on the mainland section of our Province and on the Island portion of our Province.

Now, Sir, the Premier referred to a remark supposedly and allegedly made by my colleague, the Leader of the Opposition, the member for the Straits of Belle Isle (Mr. Roberts). Sir, I would submit humbly, Sir, that the hon. Premier, if not intentionally, nonintentionally, but certainly was misrepresenting the words uttered by the Leader of the Official Opposition when he threw out the phrase, "borrow or bust". Sir, that is not the policy of my colleagues on this side of the House, nor is it the policy of the Leader of the Opposition, nor did the Leader of the Opposition say "borrow or bust". To say that the Leader of the Opposition said that, Sir, was a misrepresentation of what he indeed said at the time. The Leader of the Opposition, Sir, simply said that the public service needs of this Province are indeed great and that this Province should borrow to the limit, borrow to the limit within reason, with reason and on a rational basis. This foolishness, Sir, about borrow or bust, the Premier should just not be allowed to get away with that kind of an accusation. It was never intended on this side, it was never said, and it was never suggested. And we still say, Sir, that with the lack of rural and

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industrial development in this Province and with the great lack of certain services that many parts of Canada are used to, that this Province should endeavour to borrow as much as it possibly can without jeopardizing the financial position of this Province, and probably Sir, we are at that very position now. Maybe we are at that very position where we cannot afford to borrow any more.

So in that respect hon. members opposite and on this side of the House are not far out of step, but we just reject outrightly the suggestion by the Premier that our policy is borrow or bust. Nothing is further from the truth, Sir, and nothing is more

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foolish than that suggested by the Premier.

Sir, another thing that the Premier alluded to was that we made all kinds of promises during the election campaign and never mentioned raising taxes - never mentioned raising taxes. One thing that the hon. Premier, Sir, mentioned was that we promised to pave all of the highways in the Province. That is not true, Mr. Speaker. That is simply not true. We promised to pave on a plan, a time plan - what was the length of it?

MR. ROBERTS: Three years.

MR. F. ROWE: Three or five years?

MR. ROBERTS: Three years.

MR. F. ROWE: Okay I stand to be corrected on the time span. Three or five years - all the major roads in this Province. Now, Sir, there is a slight difference - there is a slight difference. Everybody considers the road to be a major road, well, Sir, look, the hon. members opposite realize that there are major roads in this Province, one major road is the Trans-Canada Highway. It is a major highway. Another major highway is the Burin Peninsula Highway. Another major highway, Sir, is the Great Northern Peninsula Highway, the Bonavista North, the Baie Verte Highway was another major - these are major highways. We were not going around irresponsibly Sir, promising to pave every highway, byway low road and high road and side road and local road in this Province. As a matter of fact, Sir, it was rather the opposite with the machinery moving during that election, all the machinery in this Province was on the move during that election by members opposite, by the administration opposite.

And we come to the school taxes - I went into that in some detail years gone by and I went into it the other evening, and there is no need to go into it in further detail. We disagree with that method of taxation, we will continue to disagree with it, and if we get the opportunity we will abolish it. It is as simple as that.

Now we did not mention taxes, Sir. Probably we did not mention

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taxes, Sir, for the same reason that it did not enter the minds of the people of this Province, because the picture had been painted by members opposite. There were no financial difficulties. We did not get answers to our questions during the consideration of the estimates. The hon. member for St. John's East (Mr. Marshall) the other evening, Sir, turned around and tried to blame the financial mess that the administration was in, tried to blame it on the official Opposition for not asking the right questions during the consideration of the estimates. Well, Sir, how silly can one get, how childish can one get. We asked questions and re-asked questions and spent all too much time, Sir, on departments, on half of the departments during the consideration of the estimates and had to let the other half go through in a matter of minutes. Why was this, Sir? Because we were not getting the answers from hon. ministers opposite but instead long-winded speeches during the consideration of the estimates. Check the records, check the verbatim reports, check Hansard, Mr. Speaker, and you will see, Mr. Speaker, that we had to ask questions over and over and over again on the various votes in the estimates and we were not getting answers we were getting long-winded statements from ministers.

MR. ROUSSEAU: You were one of the worst offenders with your set speeches.

MR. F. ROWE: The hon. Minister of Forestry and Agriculture, Sir, should be the very last minister to get into this one. Because the hon. minister when he was made Minister responsible for Recreation had to be saved, had to be rescued by the Premier one night, Sir, when he could not answer the questions put to him by members over here at that time.

MR. ROUSSEAU: News to me!

MR. F. ROWE: The hon. member can probably remember well. The Premier had to leave his seat, Sir, and go down and sit with the minister who was responsible for that department at the time. Now there may be reasons there, and I submit there were some very good

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reasons why the minister was not in a position to answer the questions and we should not get into it.

MR. ROUSSEAU: There was no good reason!

MR. F. ROWE: No.

MR. ROUSSEAU: I say that without sarcasm.

MR. ROWE: What is that?

MR. ROUSSEAU: I say that without sarcasm.

MR. ROWE: You say what? No good reason. Okay, well therefore I do not have to -

MR. ROUSSEAU: That will resolve it for you.

MR. ROWE: So the minister is agreeing with me, Mr. Speaker.

SOME HON. MEMBERS: Oh, oh!

MR. ROWE: Now, Sir, we have heard enough clichés coming from the Premier. We still have not had answers to our questions. The Premier, Sir, very lightly dismisses our inquiry concerning the miscalculation in the equalization grant from Ottawa. He very lightly dismisses it.

MR. CROSBIE: Ho, hum!

MR. ROWE: And there goes the all-time yawner of the century, Sir. He will go down in history as the hon. yawner. Well probably the hon. Minister of Mines and Energy would undertake to table any projections or any correspondence from the federal government with respect to the equalization grants that were supposedly coming to this Province for this fiscal year.

MR. CROSBIE: ; Do not be foolish.

MR. ROWE: Do not be foolish the hon. minister says, Sir, but it was a miscalculation, and it was given as one of the reasons why we find ourselves in the position we are in today.

MR. MURPHY: You were not even listening to the Premier.

MR. ROWE: I was listening to the Premier, Sir, but I did not accept the explanation. Now I am asking the Minister of Mines and Energy whether, unless I missed - I admit that during part of the speech I was engaged in some conversation with the House Leader opposite, and I might have missed the point, but I did not hear the Premier say anything about tabling any correspondence or any projections made by the federal government with respect to the equalization grants. So, Sir, probably the Minister of Mines and Energy, with his wit, Sir, may find it necessary, under

Mr. Rowe.

the pressures, to table that documentation. Sir, we have reason to believe - well, we do not have reason to believe, we know that the government badly miscalculated it. The question is whether they did it knowingly or not. Sir, that is one question we would like to have answered. Sir, the Premier also reminds this Assembly, that certain projects have been deferred and not cancelled. Sir, that is not exactly astounding news. We know that projects have been deferred. We know that water and sewerage projects have been deferred. We know that recreational projects have been deferred. What we do not know, Sir, is when the financial position of this Province will be improved to the point where these projects can be, for the want of a better expression, re-instated. Is it going to be coincidental with the year of the next election? We would like some indication from hon. gentlemen. We are not absolutely stupid.

SOME HON. MEMBERS: Oh, oh!

MR. ROWE: Well, Sir, look the hon. Minister of Mines and Energy can roll his eyes, take off his glasses, yawn and grumble, but, Sir, these were the points, and if they think they are small points, I might remind the Minister of Mines and Energy that I am reacting to points made by his own leader, Sir. I happen to think that this was a pretty trivial point that the hon. Premier made in reminding us that these projects are deferred. We are not stunned altogether, Sir, over here. I do not know what we look like, but we are not stunned, stupid or anything else. We realize that they have been cancelled but you can have cancellations for years and Churchill Falls, the Lower Churchill, Sir, deferred the Gull Island project for a minimum of one year. Is it to be two years, three years, five years or will we ever see it come to pass in our lifetime?

MR. F. ROWE:

Well, Sir, Mr. Speaker, we are going to be hanging on for a long time the way she is going at the present time.

MR. CROSBIE: Our new senator, I think.

MR. F. ROWE: It would not be a bad job, I must say, Mr. Speaker. It would not be bad.

MR. CROSBIE: Your father approved of the budget. I spoke to him on the plane.

MR. F. ROWE: Approved of the budget! Oh, now, Mr. Speaker, we are getting really low now. We are really getting low now when the hon. gentleman opposite decides to use the contents of a private conversation against the poor son of an old senator. We are getting pretty low now, Sir, I must remind the hon. gentleman opposite, Sir, that I did have a little discussion with the Senator and I might find it necessary one of these days to make a few comments that the hon. Minister of Mines and Energy had said on that plane.

MR. A. MURPHY: Why not get serious.

MR. F. ROWE: Yes, now get serious.

MR. A. MURPHY: Did the minister -

MR. F. ROWE: It was a two-way conversation, Sir.

AN HON. MEMBER: Oh, oh!

MR. F. ROWE: And I challenge the Minister of Mines and Energy, since he brought the subject up, to disclose the contents of the two-way conversation on that plane if he can see fit to leak out little bits of information here and there. I will drop the bottom out of the barrel on that one if he wishes me too.

MR. CROSBIE: It makes no difference to me at all!

MR. F. ROWE: No!

MR. SMALLWOOD: Did I understand the minister to say that he expects to go to the senate?

MR. F. ROWE: He did not!

MR. SMALLWOOD: The Minister of Mines?

SOME HON. MEMBERS: Oh, oh!

MR. F. ROWE: Now, Sir, -

MR. ROBERTS: Perhaps we will have a provincial senate.

MR. F. ROWE: Now, Sir, I close this part of the debate by simply saying that the Premier of this Province has not enlightened this Assembly whatsoever in the speech that he made today. Part of the speech, Sir, was nothing more than the equivalent of a Throne Speech. A catalogue of the few achievements that can be expected of any government administering this Province. That was the sum total of the Premier's speech, Sir, coupled with a vicious assault and attack on the Opposition for being allegedly irresponsible. And, Sir, I maintain, and I think the people in this Assembly realize, certainly the people of this Province realize, that if there was ever any irresponsibility displayed by any group of people in this Province, it was displayed and the game was played during the first half of September 1975 when the aspirations and the hopes and expectations of our people were falsely raised, Sir, falsely raised and then we have the bombshell, bombshells dropped slowly but surely during the course of this emergency sitting of the House of Assembly. So, Sir, we will not entertain these charges made by the Premier. The people of this Province will not entertain these charges. We know full well, Sir, that the administration has not levelled with the people of this Province during the really critical time. And, Sir, this is democracy, you know, democracy, there is one little item essential in democracy that does not appear in other forms of government, and that is that the people decide who is going to rule the Province or the nation, and they do so by voting. It is not very astounding, I realize, but why do people vote the way they do, Sir? People vote the way they do usually and hopefully because of the record of a government,

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but mostly because of the success of a campaign, the success of the propaganda, the use of the television media, the radio media, the printed media and personalities. Too bad, Sir, that there is not a system whereby the people can evaluate the term of office, really evaluate the term of office of an administration instead of voting according to the way a campaign is conducted. But unfortunately, Sir, people, generally speaking, vote because of the way in which a campaign is conducted. Sir, this is the pitiful and the sorry part about this administration. The campaign, Sir, is black in comparison to the whiteness - or if you want to reverse it, rather - the campaign was bright white compared to the blackness of the reality that we discover in this Assembly. Sir, that is the pitiful and the sorry part about the exercise of democracy that we have seen during the past election. Sir, the people were misled, they were misinformed. Sir, things were painted so rosy that we even thought we could go on with a platform of reducing taxes, but such was not the case, Sir.

SOME HON. MEMBERS: Oh, oh!

MR. ROWE: Mr. Speaker, before I sit down, I would like to move an amendment to this particular motion, and it reads as follows: To amend the motion by striking -

MR. ROBERTS: It is out of order. I am sorry. It is my fault. It is out of order. I have forgotten something entirely. There can only be one amendment and one sub-amendment. It is my fault.

MR. SMALLWOOD: There is only one amendment.

MR. ROWE: There has been an amendment already proposed.

MR. ROBERTS: Yes.

MR. ROWE: Okay, Mr. Speaker, obviously we -

MR. ROBERTS: We will do it another time.

MR. ROWE: - we will do it another time, but in closing, Sir, - we can disregard that. I am sorry for the confusion, Mr. Speaker. In closing, Sir, I can only say that we are dismally disappointed that the

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government did not level with the people of this Province when it counts, and that is when the people have an opportunity to speak. Sir, it would have been much better if the government could have come out with this news prior to the election, or in months and weeks prior to the election, and at least the people would know what is confronting this Province and the various political parties of this Province would have known what was confronting this Province and probably we would have been in a better position to act together to try and solve some of these serious problems.

SOME HON. MEMBERS: Hear, hear!

MR. CROSBIE: Mr. Speaker, consistency, of course, is not the strong point of the hon. gentleman from Trinity - Bay de Verde (Mr. Rowe). He ended up on his usual inconsistent note. I prophesy Mr. Speaker, that we will not hear the hon. gentleman opposite, who just finished speaking, criticize the federal government of Canada for one second, or for one instant, because they brought in an anti-inflation programme and wage and price controls in Canada when they campaigned just a year ago against that very topic. That inconsistency or that change in policy or that change in circumstances he will justify, but if it happens on a provincial scene, of course, and politics being what they are, he will make this usual, tiresome charge against the government. You have to deal, Mr. Speaker, with circumstances as they arise, and the circumstances that you face at any one time. I am not going to spend much time rebutting the hon. gentleman, because he really has said nothing new that has not been said here quite frequently in the last two weeks. The inconsistency, of his position, of course, is this, Mr. Speaker: He complains that we had a larger current account deficit than we anticipated when the last budget was brought down, and that is true. When the last budget was brought down, we anticipated wage and salary increases of eighteen per cent, which turned out to be

Mr. CROSBIE:

much higher, and which had to be much higher because of the circumstances surrounding collective bargaining at that time, and the circumstances that existed, and what settlements were being given in other provinces and the rest of it. One thing we can be assured of, Mr. Speaker, that had there been a strike or had there been no agreement in the wage and salary negotiations that went on in 1975, hon. gentlemen opposite would not have been supporting the government in their attempt to hold down these expenditures. They would have been out shouting around the Province for greater increases to be offered, or saying that the bargaining techniques were wrong, that the government was too hard-hearted, that the government was trying to crush the poor hospital worker, that the government was trying to crush the poor policeman, and all the rest that we have heard from them in the last four years whenever there was touch collective bargaining.

But now he is going to complain because there is a current account deficit which is caused, for the most part, by wage and salary increases that had to be awarded in 1975. The hon. gentleman talks about the equalization estimate which the Premier spoke to earlier this afternoon. There is no written document that sets out any equalization estimate that the federal government binds itself to for the coming financial year. The best the federal government can do is give you an estimate of what they think the equalization might be. It might or might not be what they say.

The history of the past ten years in tax equalization is that usually tax equalization estimates are underestimated. But this year, as a change, the tax equalization estimate was overestimated and there had to be adjustments for past years. As the Premier mentioned earlier this afternoon, several provinces, including Ontario, reduced the sales tax, reduced their sales tax. All of these things affected tax equalization formula, which is a very complex one, so that the tax equalization we are likely to get for this year - and it is still an estimate - is the one now set out in the new budget that was brought down in November.

MP. CROSBIE:

We still do not know if that is accurate, Mr. Speaker. We do not know if the tax equalization will be, we do not know for sure if it will be what was presented in the budget given to the House in November. You will not know what it was exactly for months after the financial year ends. So the hon. gentleman should forget flogging the tax equalization estimate. There is nothing in that. It can be underestimated. It can be overestimated. The one thing you can be sure of, it will never be exactly what the federal government thinks it might be at the start of any year, or what you think yourself it might be. So, there is nothing in that. But it so happens this year it is going to be lower than their estimate and it is going to be lower than our estimate. The result of these two major things created this current account deficit.

I am not going to go into it this afternoon, Mr. Speaker, I have not got the time, but the debt of the Province has not been doubled in the last four years since we took over, the year ending March 31, 1972. It has been considerably increased, there is no question about that. If hon. gentlemen opposite had had their way it would have increased, not what it did increase, but by hundreds and hundreds of millions of dollars more because. Never once during the last four years did we ever hear them for one second suggest there should be less spending in the Province, not once. All we ever heard from them was a cacophony of cries, bawls and roars for us to increase spending in every imaginable direction.

If you spent \$100 million on roads, that was not enough. If you spent \$250 million on education, that was not enough, and the school boards were not getting enough, and Memorial was not getting enough, and the trade schools were not getting enough, and the hospital boards were not getting enough. No one in the Province was getting enough, according to those hon. gentlemen opposite, in the last four years, and they now come in and say that we have been overspending. If we had spent what they recommended we spend, we would have a public debt now of about \$4 billion, not what it is. So it little behoves

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them to chide us or to wave the finger at the fact that the debt of the Province has increased in the last four years. The debt of the Province will increase in the next four also, Mr. Speaker, because if it does not increase we will not have a capital account programme at all. We will have no expenditures on roads. We will have no expenditures on new facilities of any kind in the Province. So it has to increase in the next four years also. The question is to keep the increase as low as possible and to spend it on the things that are most important and vital to the future of the Province.

The hon. gentleman talks about blasting the dynamite in the Straits of Belle Isle. We did not know at that time, Mr. Speaker, that the project would have to be delayed. We did not expect that it would be delayed and we did not have the increased cost estimates that came in after that. So, you know, there was no cynical blasting of dynamite. Not only that, but our plans are to continue with the tunnel work next year. So if there was any blasting of dynamite properly done during the last election, it was properly done on both sides of the Straits of Belle Isle and there will be a lot

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more dynamite blasted up there in 1976 as we continue with the tunnel project. I am not going to address myself to anything else the hon. gentleman said because it has all been said here before, and I want to address myself to several other things. But the hon. gentleman in straddling the hydro issue which will be debated later in the week - I just mentioned this because he did - said that the hon. gentleman opposite agreed in principle with our owning our own hydro resources. They agree in principle with it, but when it gets to the details they want to disagree with it. Now they cannot agree and disagree. They accepted it and voted for it in this House. They say they accept it in principle, and there is no point trying to get on the bandwagon now when it looks that the project may be a little tough, or may take longer to carry out, and say they disagree with it. They are either in favour of this Province owning its own hydro resources, or they are in favour of some private corporation owning them. They cannot have it both ways.

So to sum up, Mr. Speaker, that is all I am going to say because the remarks are becoming tiresome now to hear them reiterated time and time again. I want to turn to a couple of other matters, Mr. Speaker, and one is the fishing gear replacement programme of 1974. That is a programme, Mr. Speaker, that has been receiving a lot of adverse comment in the last few weeks, or month or two, the fishing gear replacement programme of 1974, and it should be put in context. In the Spring and early Summer of 1974 there was a disaster on the Northeast Coast of Newfoundland from St. Shotts up along the East Coast, the Northeast Coast including Labrador and down part of the St. Barbe Coast, a disaster because of unusual Arctic ice which caused them to be late in trying to fish, several months late, it was not until the end of June or perhaps even the end of July that you could fish in certain sectors of the coast, and the ice went out and came back again several times causing tremendous ice damage to gear of inshore fishermen and longliner operators on that coast. So this government, acting with commendable dispatch, and concluding that this

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was a national disaster, certainly a provincial disaster, after the facts were ascertained decided itself to start a gear replacement programme. On July 17, 1974, an emergency fund to assist in gear replacement for fishermen who suffered losses of gear as a result of these extreme ice conditions was established, and on July 30, 1974 the Premier met with Prime Minister Trudeau, the then Minister of Fisheries, the Member for Gander (Mr. Collins) the Minister of Fisheries at Ottawa in discussing what kind of a federal-provincial programme there could be to overcome this disastrous situation which had struck such a large part of the Province. And the federal government agreed that they would participate in a gear replacement programme using the disaster formula, the emergency disaster formula they have. This was announced on August 2, and on August 14 all fishermen were written advising them of the programme and how to make a claim for the deadline of September 1 which was then extended to September 10.

So the programme was to replace 100 per cent of the cost of any fishing gear lost by fishermen in the area affected. That was the programme. So the details were given in August - and remember, Mr. Speaker, of course, that during this period there was a tremendous urgency in getting gear to the fishermen, who would not be able to fish that year at all if their gear was not replaced, so haste was necessary and everyone in this House of Assembly, who was then in it, or the government and the Opposition, wanted it done as quickly as possible. Well, the federal peacetime disaster formula was that for the first one dollar per head of population the Province would meet the cost itself. So the first \$530,000 was ours. The next two dollars cost of the programme per capita - the next million, roughly, in Newfoundland - they pay 50 per cent and we would pay 50 per cent. For the next two dollars beyond that of the cost of the programme, they pay 75 per cent, - the Province would pay 25 per cent. And for the amount of the programme in excess of that amount of money, \$5 per capita, they would pay 90 per cent of the cost under

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this emergency disaster formula. That was their participation. The programme was to be administered by the Province.

Now guidelines were established, Mr. Speaker. The first priority was to replace groundfish, gillnets, particularly to longliner operators so they could fish at once and during the remainder of the season. The second priority was given to replacing cod traps. Claims for losses of cod traps were investigated by the College of Fisheries officials together with our own to determine the extent of webbing that would be required to replace the cod traps. The third

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priority was to replace salmon nets, lobster pots and other gear lost in that disaster but which would not be used until the next year because the season was over. There were about 6,500 claims, Mr. Speaker, made by fishermen in that area for gear replacement. Of the 6,500 claims, 500 were rejected for various reasons. It was a monumental task to deal with 6,500 claims from fishermen with all this urgency going on to replace the gear of those who were using gillnets and so on so they could go back fishing for the season with the small number of people we had to do it. Even if you had hundreds of people to do it, Mr. Speaker, there still would have been great difficulty.

The Provincial Department of Fisheries had seven permanent employees to assess claims. That is our field staff, the field services division: Three temporary clerical employees to process claims, we hired six temporary field staff to assist in getting affidavits, these were seasonal employees of the Federal Department of Fisheries; four fishing gear instructors from the College of Fisheries helped with reference to the cod trap losses and what was needed to replace them. As it turns out, the total cost of this programme is now going to approximate \$7,150,000. The following value of gear was issued by seventy-five suppliers to approximately 6,000 inshore fishermen; \$1,740,000 to 800 cod trap claimants. That is what the cost was, 800 cod trap claimants; \$1,460,000 to 2,000 lobster trap claimants who claimed losses of 154,235 lobster pots - 2,000 claimants, 154,000 pots; \$3,950,000 cost to 32 other claimants. Those 32 other claimants claimed and got 8,200 hung groundfish gillnets, 8,200 groundfish gillnet kits, 1,600 groundfish gillnet webs, 4,700 salmon gillnet kits, 1,200 salmon gillnet webs, 1,000 herring nets, 70,000 pounds of rope and 260,000 pounds of netting and twine and other items not itemized such as anchors, buoys, chains, leads, radar reflectors. That is the amount of gear that was dealt with under that programme, a huge amount of gear, and at the costs as I indicated.

MR. CROSBIE:

The cut-off date for accepting claims was September 10 and if a fisherman had a good excuse - he was on the Labrador, or had not heard of the programme, did not get his claim in - it would be extended for someone in a position like that. Now what was the procedure to replace this gear, this gigantic programme that had to be instituted to deal with this disaster, what was the procedure? What could be the procedure? One had to depend on the honesty of the people one was dealing with if there was any gear to be gotten out for them to fish in 1974 at all. The procedure was the fisherman reported his losses to the Department of Fisheries or to a federal official. He got an acknowledgement stating he would be visited by a field officer. He was visited by a field officer who helped him complete a duplicate affidavit for the gear losses. The fisherman got the original to take to the supplier of his choice. The duplicate copy went to the department. If there was a claim for loss of twenty-five gill nets or more, then that was investigated further and the fisherman was interviewed in more detail, and others might have been interviewed also in connection with it. Or if there was a large claim they would go to other members of that fishing crew to make sure the gear was actually lost, etc. More precautions were taken. The supplier would fill the order as stated on the sworn affidavit and retain the fisherman's affidavit. The supplier would then invoice the Department of Fisheries on the basis of the affidavit and send in the affidavit and the invoice, both of which are signed by the fishermen. So no one could send, no supplier could send in a claim for gear supplied to a fisherman if he had never sent in a copy of the affidavit and a signed invoice by the fisherman that he had gotten that gear from that fishing gear supplying company. So the department would then be invoiced. The department would receive the affidavit and the invoice, would check it against the copy they had to verify it was authentic, and then either approve the claim for payment or, if the prices seemed to be inflated, take the matter up with the supplier.

MR. CROSBIE:

That was the procedure. Now, Mr. Speaker, if someone was prepared to sign and swear to an affidavit falsely, in other words to commit perjury, then he could commit perjury and the chances are excellent that he would get away with it. We neither had the people nor the time to take every single claim and then visit the man's neighbors, or visit other fishermen in the area, and make a thorough investigation of did he own gear before, how much gear did he own, or what did he actually lose, or was he making up the claim or whatever. In any event any attempt to do that would not be very successful. The neighbors are not going to rat on you in the ordinary course of events, and so on. There was certainly no time to do that in these circumstances. But that was the procedure.

But if someone was prepared to be dishonest, if someone was prepared to make a claim for gear he never lost or exaggerate his claim, this programme was certainly one that could be abused. But that was a risk that had to be taken if there was to be a fisherman fish along the whole Northeast Coast. There are many fishermen fished in the year 1974.

Now, on lobster pots one copy of an affidavit was completed for headquarters use. With respect to lobster, salmon and herring fishermen a check could be made with the federal fisheries because those fishermen are licensed - lobster, salmon and herring - and their gear is licensed. You can get information on what gear they own and what they do not own. But in the case of the ordinary inshore ground fishermen, they were not licensed. There is not information anywhere on what kind of gear they own or how much gear they own or anything of that nature.

Just on lobster pots, Mr. Speaker, as you remember the scheme on lobster pots was, if a man claimed he had lost 100 lobster pots, we would pay him five dollars a pot during the Winter of 1975 or the Fall of 1974, and when he completed the pot and proved he had replaced the pot he allegedly lost, he would get the other five dollars in the

MR. CROSBIE:

Spring of 1975. Well there are 2,000 claimants who got full compensation and 137,765 replaced pots and another 240 claimants who claimed 16,470 pots but who got the initial advance of five dollars and never did replace the pots. So they did not get the second five dollars, not having replaced because this was a replacement programme not just to give somebody money for pots they allegedly lost. You had to replace the pots.

Now the section of the Coast that this programme covered was from St. Shotts up the Northeast Coast including Labrador and then South to Cape St. Gregory on the West Coast. The boundaries were established by federal-provincial agreement. We came under heavy pressure to extend the area down further down the West Coast, but we felt that that was not required and there was not the same situation there.

Now, Mr. Speaker, it became obvious during the course of the administration of this programme that there were being abuses, that people were making claims who had not really lost gear, or had not lost that amount of gear. This was plain to anybody. The programme - we have no system of knowing who the bona fide fishermen are, they are not licensed. You did not have to be a full-time fisherman to claim under the programme. You could be a part-time fisherman. You could be a school teacher who had some pots or some gear or any other person. I just give school teachers as an example who fish part-time or whatever and you could claim under this programme.

MR. SMALLWOOD: Mr. Speaker, if the hon. minister would allow me: Are not all fishermen registered federally and licensed with a license number and so on? Or is that just the boats?

MR. CROSBIE: No, Mr. Speaker, Now all fishermen are being registered being as at the end of 1974 they have to register.

MR. SMALLWOOD: Not before?

MR. CROSBIE: No. So that all fishermen are now registered but they do not have to be licensed to engage in certain fisheries inshore. Of

MR. CROSBIE:

course this thing has got to go, but no one has yet been able to come up with a satisfactory definition of who is going to be a bona fide fisherman or how it is done. So part-time fishermen, or anyone who claimed to fish at all, were eligible under this programme. It became obvious, Mr. Speaker, that there was considerable abuse.

Well, the only way to avoid such abuse in the future is to have it much more tightly controlled, which means you have got to have plans before any programme is brought into effect. One other thing that has to be done, Mr. Speaker, at least is that you have to have a deductible of at least some figure, like 25 per cent, before instituting

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such a sceme so that you discourage the minority who are always present, who are going to abuse and take advantage of any programme, particularly one that involves the government.

Now, Mr. Speaker, it is not just sudden news that this programme was abused because I told this hon. House about it last February in answer to a question in the Hansard for February 28, 1975. I explained to the House what had happened with this programme when I was asked questions, and that we suspected many fraudulent and false claims which we cannot root out or police because we have not got the personnel and facilities to do it. We just have not got the hundreds and hundreds of officials you would need to investigate. There is considerable evidence that there have been many false and fraudulent claims. This comes to us by way of anonymous letters, by fishermen telling us, by our own observation, by our field officers' observation and so on. It is all there in the Hansard. At that time all I got for attempting to be truthful about the state of the programme was a heap of abuse from the hon. gentlemen opposite, who were on the open line programmes blackguarding me all over the Province the next day for having intimated that there was some, that there might be a dishonest fisherman. That is the support that I got from the hon. gentlemen opposite for trying to be honest about this programme the end of last February and March, a general blackguarding and abusing of myself all over the Province. That I did not mind, Mr. Speaker, because I knew - I was used to it - because I knew, Mr. Speaker, that there were hundreds and hundreds and thousands of ordinary, honest fishermen out there who thought exactly what I was saying, who were disgusted with it and would be pleased to hear somebody say it, instead of being frightened that you are going to lose a few votes if you tell the truth or be honest about something. These are the fishermen, the hard working fishermen, you know, the real fishermen, who very often does not lose his gear because he will get out and make sure it is out of the water, or he would only claim, if he lost five nets he would only claim for five. He will not claim for

MR. CROSBIE:

-twenty-five and so on. These are the ones who are suffering because of the abuses of a minority. How big the minority is we do not know because, as I have explained, we had no way of checking.

Well, Mr. Speaker, it is all on the record before. It is not just something that has been discovered in the last month or two months that there was abuse of the Gear Replacement Programme, and abuse by people who call themselves fishermen, by a minority of them. Well, the department knew this and we had a study conference on it in June of 1974 and in the Fall of 1974 and during 1975 as to how these things can be done in the future and what steps can be taken to try to prevent the abuse, and how there can be tighter control and so on. But, Mr. Speaker, when a genuine disaster occurs like that, and when you are going to have to replace gear with speed and so on so that people can go back fishing, if you have got to properly investigate every single claim the fishermen in question will not be back fishing that season. There is just no way you could do it. So we decided, all right, we will have a special team, we will try to get a special team to investigate all the claims that were paid in excess of \$5,000 or \$10,000. That was something we were hoping to do. Then we discovered it was very difficult to do that and to get auditors that could do it and the rest.

Now, Mr. Speaker, while all this is going on and all these steps are being taken, a certain event occurred at the Department of Fisheries, the famous fire in August of 1975 which is generally suspected of being caused by arson. As a result of that fire a very careful search was made of the Department of Fisheries to see might there be any files missing, could the fire had been set by someone trying to hide something that might have been in some file. It turned out that we had records of all the files and only one was missing. As a result of that one being missing a very, very careful - we called in the CID, who were in anyway to look into the arson question, and we turned all this over to them and we asked them to investigate this particular area to see might there be any connection because there was a file missing for a certain area.

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MR. CROSBIE:

So they checked very carefully into the claims that had been made in this particular area. They found themselves on to something that may not be related to the arson, but that is how this particular situation was discovered.

MR. SMALLWOOD: Is that the main abuse?

MR. CROSBIE: Well, I do not want to say that, Mr. Speaker because it will - The CID's investigation is underway now and has been underway since the fire, I think it was, last August and it would be -

MR. NOLAN: Would the minister permit a question?

MR. CROSBIE: Yes, go ahead.

MR. NOLAN: I submit the question, and I may be wrong and I am certainly subject to correction, but I thought we were cautioned about discussing this thing while it was under investigation. We are now getting an explanation from the minister. You know, if this is what it is going to be, I guess we are throwing it all open for discussion, are we?

MR. CROSBIE: Mr. Speaker, all I am doing is explaining the background of this programme, and that there was abuse of the programme and leading up to this investigation which now is underway, and which, as I was just going to say, I can say no more about until the investigation is completed into certain things that happened under this programme as a result of the programme being abused, not just by fishermen but by certain others who are in a position to abuse it. Now, that is the background of it, Mr. Speaker.

The reason why I want to speak on this today is that I think that the publicity the Department of Fisheries is getting on it is grossly unfair. If there is abuse of that programme, and there was, it was not abuse that was caused by the Department of Fisheries. It was abuse that a certain number of people, who that programme was instituted for, the abuse they made of it, they and certain others who abused it. No cloak of suspicion should be cast on the officials at the Department of Fisheries or the department itself in this connection. They were given an impossible task to do, to replace all this gear in a short period of time, and there was no way we could have provided enough people or investigative procedures to make sure that the programme was foolproof. It was not foolproof and it is a great pity that some number of people, whom the programme was designed to benefit, were the cause of abusing that programme.

MR. CROSBIE:

Now, when the ordinary investigations are completed, of course, and if there is sufficient evidence, charges will be laid and the whole matter will then be in the public domain. So I cannot say any more about it except just to give this background of the monumental job that was done, the number of claims, the way we went about it and the fact that the programme could only be implemented at all based on the assumption that the recipients would be honest and would correctly swear to an affidavit of what they lost or did not lose.

MR. NOLAN: It was based on individual honesty.

MR. CROSBIE: Anybody involved would have to be honest including the seventy-five firms who are supplying gear and who are sending in claims for the gear which they could only send in if they had an affidavit and an invoice signed by the recipient.

So, Mr. Speaker, that is what happened in the gear replacement programme and I was a minister from October, 1974 to the end of September, 1975 and I am quite prepared to defend it, and I am quite prepared to take the responsibility for it, and the government is quite prepared, as far as that goes. It was a programme much applauded at the time but -

MR. SMALLWOOD: In what month was the minister demoted, what month could that be?

MR. CROSBIE: The minister has never been demoted that the minister knows about but -

MR. SMALLWOOD: He was taken out of fisheries.

MR. CROSBIE: Well, that was a demotion, right. I think it was the end of September. I am worn out being demoted. I demoted myself once in the hon. gentleman's government.

Now, Mr. Speaker, I do not know how much time I have left. I want to move on to something else. But I do want to say that the Department of Fisheries has nothing to be ashamed of in that programme. They did miracles with what they had to work with and the personnel they had to work with, and the way that this had to be done. But in any similar programme in the future, as I said last February or March, there

Mr. CROSBIE:

will have to be substantial changes to ensure that there cannot be the same abuse again. You cannot say that just because a person is a fisherman or a person is a lawyer or a person is a labourer or a person is a carpenter that therefore prima facie they are honest. There are honest fishermen, as I said last year, and there are dishonest ones. There are honest lawyers, and there are dishonest lawyers, and so it goes through all the ranks of society. There are dishonest part-time people and honest ones. The vast majority are honest. But when a public programme like this is put out, the great pity of it is that some number of people - I do not know how many it would be. I do not think it would be in excess of 5 per cent to 10 per cent, if that many of the claimants prepared to take advantage of it. That is all I can say, I suppose, on it because of the investigations that are now going on.

Now, Mr. Speaker, I would like to address myself to Memorial University for a few minutes. Memorial University has been under attack in this House particularly by the member for LaPoile (Mr. Neary) who

MR. CROSBIE:

says that Memorial University's budget in every detail should be available for the scrutiny of this House of Assembly and the government, you know, and it sounds like a pretty popular tack to take these days. I say, no, Mr. Speaker, that should not be the case, that the budget of Memorial University should not be available to the members of this House of Assembly for their detailed scrutiny, because if members of this House have the right to detailed scrutiny of the spending of Memorial University, they will have the right to decide what is going to happen at Memorial University. They will have the right to decide what the policy of Memorial University will be. They will have the right to decide, for example, how many should be on the staff of the Department of Political Science as compared to the Department of History.

I do not know of any other province in the country that has every detail of the university budget of that province passed over either to the government or to the House of Assembly for detailed criticism.

MR. SMALLWOOD: One.

MR. CROSBIE: One?

MR. HICKMAN: Saskatchewan.

MR. CROSBIE: In Saskatchewan is it. One.

MR. SMALLWOOD: In Alberta.

MR. HICKMAN: No, Saskatchewan.

MR. CROSBIE: Mr. Speaker, our Treasury Board has access, you know, to any detail they want in connection with Memorial University's budget and Memorial University's finances. The only way we can deal with Memorial University is to decide how much the Province can afford to give them in any one year, either on some kind of formula or some kind of block vote, and let them decide within that what they can do with that amount of money. Surely it is not going to be suggested that we should decide what the policy of Memorial University should be as to what department should have more staff or what department should have greater emphasis or whatever. That is for the Board of Regents of the

MR. CROSBIE:

university to decide along with the permanent officials of the university. It is the Board of Regents we should look to for that kind of thing. It is the Board of Regents who are to represent the community at large. It is the Board of Regents that should do that. It is the Board of Regents we should look to to have it done.

Now, whether the Board of Regents do that effectively or not will be partly a function of whether they are properly encouraged by the government to do it or by the permanent officials at the university to do it. But I do not support for one moment, Mr. Speaker, any concept that Memorial University should be treated as other than an independent academic institution. We have to decide how much money the Province can afford to give them. We have to decide, for example, the last government decided that there should be a Medical School and promised them sufficient medical assistance to build it and operate it. Government can decide that kind of general policy as long as it makes the finances available. But to go further than that would be a backward and retrograde step that I am sure this government would never consent to and that I would not want to see put forward.

There was an excellent article in Saturday's Evening Telegram on Mr. M.O. Morgan written by one David Agnew, a first-class job of work. We have a fine president of the university. He is out to get all he can for the university and for his own activity. We have got to curb that because we have not got the money to do everything that is needed to be done there. I would agree that a new library is the greatest priority up there. I do not know whether we will be able to reach that this year or not, but a university without an adequate library is a nothing. A university, to my mind, should be a library and everything else is incidental to it. The library and books are the centerpiece of any kind of a university, and I agree that has got high priority. I do not know whether we can do it this year or not.

There has been a lot of spending at Memorial in the last four years or ten or fifteen. But I do not think we should countenance it

MR. CROSBIE:

because it might sound popular to the public, that we should dragoon and drag Memorial University before this House and question what expenses they have or what they pay their staff and the rest of it just because it may sound popular in these times of stringency to do it. I, for one, Mr. Speaker, would not support it.

Now, finally, if I have a few minutes left, I want to address myself to another subject which is radio station CJON, paid TV and radio. Now, Mr. Speaker, I have not got the time to be listening to Open Line shows. I am generally working here all day, or if not here somewhere else, outside or inside the Province. Nor do I have the strength to wait up all night for fulminations from Mr. Geoff Sterling who is the president, I think, of that radio and TV chain, or to get up early in the morning or whatever it is necessary to see what is going on there.

But, I say this, that the public airways are owned by the public, and you can only get a radio or TV license if you satisfy certain criteria of the federal government, the CRTC, to operate it. When you get a license you get a privilege. There may be hundreds want that license, but only one gets it. And there are various reasons they get it for, I suppose there are dozens of them.

Mr. Crosbie:

Some of them are legitimate reasons and some are not. But CJON radio and T.V. have had licences in this Province for a long time. But we do not owe them a living, Mr. Speaker. They are not operating for the good of Newfoundland, they are operating as a private commercial enterprise for their own good and to make a profit, and doubtless very satisfactory profits have been made from CJON in the last twenty years. The gentlemen who owned it have gone on to careers elsewhere and extended their empires and so on. Nobody - at least I do not complain about them having done that. But I am certainly not going to support them in any public campaign to denigrate and circumscribe and cutback on CBC because they now are feeling the pinch, or they now have not got all the revenues that they think they should have. CJON and TV has been largely ignored as far as investment is concerned in this Province for the last five or ten years. Certainly their staff is one of the less well paid radio and TV staffs in the Province, certainly when you compare them to CBC.

Now there is a public campaign on by the gentleman who owns CJON TV and radio to try to force the CBC to withdraw from advertising, or change their policy and the rest of it. And to attack the Premier and myself when he gets on with his fulminations at different times during the year. Now CJON radio and TV. I said last September and I say again now, violated every proper canon of broadcasting with their activities in last September's election, with the pushing of the Sterling attempt to be elected and the rest of it, the Liberal Reform Party and so on. It was an absolute fantastic violation which the P.C. Party is now asking the CRTC to investigate and make a ruling on, with little success so far. When I say that again that the rules and canon of political impartiality were violated in that election campaign by statement after statement which did not have to be paid for by the owner, Mr. Sterling, dropping into the radio station in Grand Bank and having himself interviewed for a public service broadcast and spending twenty, forty, forty-five minutes largely abusing the Minister of Justice (Mr. Hickman), abusing, and myself and so on, just before he went over to Corner Brook to get nominated for the Liberal Reform Party and so

Mr. Crosbie:

on. But we survived that. We can survive it again. But I am not saying that I cannot go to CJON or that they will discriminate against ~~me~~, that I will not get on their news or Issues and Answers or Analysis. I am not complaining about that. I am complaining about this misuse by the owner of that communications empire, who by the very fact that he owns it is a very powerful individual in this Province, and who is abusing that ownership, and has abused it for political reasons, and is now abusing it again for whatever his reasons are. The public owns the airways and we are entitled to call on the CRTC and the Government of Canada to protect us from such abuses, and I call upon them now to do so.

And, Mr. Speaker, open line programmes: As I say I do not listen to Basil the Bellicose, or Basil the Barbarian, or Basil the Boohoo or whatever you want to call him. I do not have time to listen to his programme, but I understand that he has been giving me considerable abuse lately. I was incompetent as the Minister of Finance, and then I went to Fisheries and ruined Fisheries, whatever he is shouting about, I have not listened to it and do not have time to listen to it. One wonders, you know, why? Do people in public life have to put up with this? You get no notice of it. You are not told by the person in advance, who has got two hours of radio time every morning to sa'll up and say, now Mr. Crosbie you listen in today I intend to give it to you, to abuse or criticize you today, but I would like you to have a chance to answer. You never get that kind of notice. They just go on the airways. You are not listening - knife you, savage you, say what they like about you, and unless you are in your office listening for the two hours every morning you have not even got a chance to reply. You know, I think that is the height of irresponsibility on any station's part, and I know that I am only wasting my breath on the desert air to mention it, but at least in this House we can get up and speak about what we like in a general debate like this. I think that is very, very poor. If Basil Jamieson wants to debate anything with me, or to abuse me on any occasion, just give me a chance, I will go up in the station, I think I

Mr. Crosbie:

can outpoint him, I think I can skate around him, I think I can out score him, I think I can beat him at any kind of game with fair ground rules whatsoever, no hesitation.

MR. SMALLWOOD: You are competent.

MR. CROSBIE: Yes. But why, Mr. Speaker, you have to allow yourself to be abused and slandered and downgraded, and you do not know what morning it is going to happen or when or how often, without any chance of reply, there is something wrong with that. The CRTC should start looking at that abuse of the public airways also. There should be some guidelines,

MR. CROSBIE: some rules where people, whether in public life or private life have some ability to defend themselves against what is being said about them.

Now, Mr. Speaker, the public should also remember this, that if Mr. Stirling and the owners of the present CJON network want to give it up, there will be other people take it over. Other people will buy the network and CRTC would not have to allow it to vanish. There would be many others. You saw them all lined up to get the cable TV. They would be lined up wanting to buy out Mr. Stirling and his associates if they wanted to go. It does not mean that the second TV and radio network is going to go if Mr. Stirling and his cohorts get discouraged by the fantastic attacks made on them, so they say, by the Premier and myself or whoever. Others will take over. That is just part of the system. They would be able to sell for good money, and someone else will take over and operate it, perhaps more fairly and in a better way than they are doing. So we do not need to be frightened that Newfoundland is going to end up with only one TV network and two radio networks if Mr. Stirling hauls out. If the Galloping Guru wants to gallop somewhere else, he can go. The Province of Newfoundland will lose nothing in TV or radio if he goes. He will be replaced. None of us are irreplaceable. If I go I will be replaced. If the hon. Leader of the Opposition (Mr. Roberts) goes, he will be replaced. It is an awful thing you discover - first you do not believe it, Mr. Speaker - but you discover that you can be replaced and Mr. Stirling can be replaced and the other shareholders can be replaced. It will not matter to Newfoundland. We will still have a second public TV and radio broadcasting station. It is the public airwaves, they are not private property, and there has been too much abuse of the public airwaves in Newfoundland and I have experienced a lot of it, Mr. Speaker.

And I will remember the Canadian Radio and Television Broadcasting Commission, a bunch of poltroons, poltroons -

MR. HICKMAN: How do you spell it?

MR. CROSBIE: Because I remember complaints I had before them in 1970 and 1971 - the hon. gentleman from Twillingate will remember - there was a certain program Conversations with the Premier and the fantastic way in which they adjudicated that matter after months of correspondence and the rest of it, so that the hon. the Premier of the day (Mr. Smallwood) could have fifteen minutes, and the Liberal Reform Group could have fifteen seconds, based on the membership in the House, and the PC Opposition could have a minute and a half.

MR. SMALLWOOD: What did they do with fifteen seconds?

MR. CROSBIE: Well, by the time you got over there and cleared your voice it was all over. So I do not expect much from the Canadian Radio and Television Commission, because I had that experience with them a while ago, before the hon. gentleman from Twillingate and I became so close, and the feel of statesmanship.

MR. ROBERTS: Fellow Liberal Reformers.

MR. CROSBIE: That is right. That is right, both Liberal reformers. He tries now to reform the Liberal Party and I try to reform the PC Party. Two minds with but a single thought, heart to heart.

So, Mr. Speaker -

MR. HICKMAN: What is that poltroon again, how do you spell that?

MR. CROSBIE: Poltroon, p-o-l-t-r-o-o-n, I think it is.

MR. SMALLWOOD: Poltroon.

MR. CROSBIE: Poltroon, all right, the former Premier always has to correct my pronunciation. I pronounce words wrong, Mr. Speaker. So I just say this because it seemed to be a good chance today, Mr. Speaker, to reply to Mr. Stirling's fulminations, which I have not yet had a chance to hear.

MR. ROBERTS: Are you going to ask for free time?

MR. CROSBIE: Forty-five minutes free time, I would like to have to reply. It has been on, I understand, four times already since yesterday.

SOME HON. MEMBERS: Oh, oh!

MR. CROSBIE: In fact I would go on to debate with him himself if he likes -

SOME HON. MEMBERS: Oh, oh!

MR. CROSBIE: - from midnight to 8:00 A.M. some evening. Maybe Christmas Eve.

MR. HICKMAN: Jonathan Seagull Crosbie.

MR. CROSBIE: So while Santa Claus is coming in the House he can watch our debate. So as I say, Mr. Speaker, I hope he does not continue that track. He is off on the wrong track. Just be a man. He abused the rules. Get down to operating his station. Get down to investing more money into it. Get down to beefing up their wages and salaries so they can compete with the CBC, and the rest and give us a good service, and stop this nonsense that he is now getting out to the public, hoping the public will believe that we are going to lose our second TV network and radio network. We are not going to lose it. If Mr. Stirling does not operate it properly and put some money in it he may have to sell it or lose it, but it will still continue to operate.

MR. HICKMAN: Why do you not offer to buy it?

SOME HON. MEMBERS: Hear! Hear!

MR. SPEAKER: The hon. member for Windsor-Buchans.

MR. FLIGHT: Mr. Speaker, it is very difficult I think for new members coming into this House for the first time, and speaking for their first or even their second time, because I think everybody present will recognize the tradition itself of this House brings pressures, causes butterflies, gets one up-tight, but now a new dimension has been added. The tactics, Mr. President, Mr. Speaker, I am sorry I am not -

MR. ROBERTS: Parley-vous francois?

MR. FLIGHT: The tactics

Mr. Flight.

of this administration seems to be this: Do not criticize. To do so is irresponsible and unpatriotic. The Province is in trouble so do not criticize. Do not rock the boat.

Mr. Speaker, to my understanding, in running for and getting elected to this House of Assembly I accepted two things, one of two things, that, number one, I would be a member of government and, therefore, I would govern and help offer to provide leadership for this Province; or the other possibility, that I would be in Opposition and that I would oppose and criticize if criticism was responsible, was necessary. Now we have been - I have watched - I do not know if any other member of this House feels this way - but I have watched ministers of the government stand up very self-righteously and very sanctimoniously and suggest that we not criticize. Mr. Speaker, they must be joking. I have played around the outside - I have never been actively ; this is my first time actively involved in politics, but as some of the hon. members opposite know and most of the members on this side know, I have been involved on the outer fringes. This is my first time into the inner sanctum.

The art of criticism, Mr. Speaker, was perfected in the years 1969-1970-1971. It was brought to a new high, or a new low, depending on how you want to look at it. I have to direct this question to the Minister of Energy, and I realize in doing so, I will probably bring his wrath down on my head for the rest of this session, but I have to ask him if he was any less patriotic in 1968-1969-1970 than he is today? Newfoundland knows that he was the master criticizer. Mr. Speaker, one cannot talk about the future without referring to the past. If one does not agree with what happened in the past, whether it was the far past or the recent past, then one must criticize. So I want to serve notice on the government, the ministers, that I will criticize until I am blue in the face. If we are in trouble, if this Province is in trouble, Mr. Speaker, then if we are going to go down, as was hinted at in a recent speech, then my attitude is, we might as well go down swinging and in our criticism we might find out why we are in

Mr. Flight.

the difficulty we are in. I will not forget very quickly, Mr. Speaker, after the election of 1970-1971 - there were two within six months - my wife was aboard the car with me, and I was driving back to Buchans. I had just left Gander where I had been very much involved in the election. The election was won and contested on one issue, industrialization as opposed to rural development. I was gullible enough to believe, Mr. Speaker, that we will now enter a new phase in Newfoundland's history. We had seen industrialization. We had seen the great Come By Chance, the great Linerboard mill, and others. The opposition, or the government that won the election, won their election on that. They told the people of Newfoundland that we have had enough of industrialization. Instead of spending \$100 million for every industry such as Come by Chance, we will spend ten, one hundred thousand dollar grants in rural development. We will create labour intensive - that was the catch word, labour intensive.

Mr. Speaker, I admit openly and freely that I was gullible. I thought, okay, if this is the way we are going to go, let us see what is going to happen. Within six months, Mr. Speaker, it became obvious that not only were we not going to have rural development but we were going to take industrialization a lot further than it had been taken up to that point. There were talks that instead of one refinery, the refinery would be tripled. The man who was being criticized as Newfoundland's downfall was now being idolized as Newfoundland's saviour. I have to refer to my colleague's statement that he disagrees that industrial development should be under the same portfolio as rural development. Mr. Speaker, we were told - they were set apart, they were set up against each other - we were told that we were going to do rural development as opposed to industrial development. We have come four years and now rural development has been down played and it is back to industrial development. The minister, in listing his priorities, rural development was not mentioned. Industrial

Mr. FLIGHT:

development now, the Lower Churchill, gas and oil off the coast, these are the top two. Mr. Speaker, as an aside I would suggest that oil and gas off the coast is not labour intensive. While it is being developed, it will no doubt be labour intensive. But once the pipe lines are there and the gas is being fed into Newfoundland, or wherever it is going to be fed, there will be very few jobs. No doubt revenue will be created by the sale of this. No doubt revenue will be created by the development of the Lower Churchill. I do not know yet what the Minister of Energy meant when he listed the Lower Churchill as being the top priority.

If he meant by the power coming to Newfoundland then we would have cheap electricity and thereby we would attract all sorts of industrial development, then I can see the Lower Churchill being looked at as being labour intensive. Of course, if it is for sale down the Eastern Seaboard or into Quebec, then I do not see the labour intensity of that project any more than the Upper Churchill has become labour intensive.

Mr. Speaker, the Premier a few minutes ago in his remarks listed five or six of the things that will make Newfoundland labour intensive - blueberries, salting eels, sawmills, and two or three more. So, what is new, Mr. Speaker? What I am saying is that this is the road that we expected to go three years ago but we have not gone that way. You ask me or they ask me, do not criticize. I will criticize, Mr. Speaker, until the labour intensive rural development that was supposed to have taken place in Newfoundland four years ago either takes place or we get an admission from this government that it will not take place and indeed the route we are going to go is industrialization and industrial development.

Where do we go, Mr. Speaker, from here? It has been Newfoundland's lot to this point to export our natural resources. Southern Ontario today is a labour intensive area. The reason Southern Ontario is a labour intensive area, Mr. Speaker, is because Newfoundland's raw resources - an example is the iron ore production of Labrador - is

Mr. FLICHT:

being shipped as a raw material into Southern Ontario. The Premier just admitted that our blueberries are creating full-time employment for 500 people somewhere in North America. Our lot has been that we ship our natural resources out. Until this government, or some government, finds a way to process our natural resources in Newfoundland then I am afraid Newfoundland will never be labour intensive. It will guarantee that other parts of the world will be labour intensive, but Newfoundland will not be.

Newfoundland will never become labour intensive, Mr. Speaker, while we ship our goods out. If we cannot find a way - maybe I am nit here. - I am sure since Confederation, 1949, that this must have been discussed. Why do we not - how come American Smelting and Refining Company was allowed to spend forty-six years mining and shipping the raw ore out of this Province and not creating one job, not one solitary job other than the jobs that had to be created to take it out? How come Bell Island was allowed to go the way it went? How come Labrador is going the way it is going? I do not see how we can look at what happened to our natural resources up to this point in our life, Mr. Speaker, and suggest that Newfoundland will become labour intensive.

You know, Mr. Speaker, I was amazed when the minister did not list recreational development and tourist potential, our tourist potential, as one of the priorities for this Province from an employment, revenue bearing development, future development. Let us go the industrial route for a few minutes, Mr. Speaker.

Mr. Flight:

twenty-five years by the industrial route. And let us assume that at the end of twenty-five years we will discover, which I am sure we will, that we are not a Southern Ontario, that cheap power or no cheap power we have not become an industrialized province. And the people who will be responsible for providing the employment and making sure that we have a solid economy will look back, and they look around and say, they finally recognize what was one of the only natural, valuable, resources we had, our tourist potential and recreational development. Can you imagine, Sir, the recriminations, the rude awakening, the gnashing of the teeth when they look around and find that it is all gone, that it is all wiped out, any potential tourist, recreational potential for development we had is all wiped out in a mad rush to industrialize, that our rivers are polluted, our bays are polluted, our air is polluted and the only thing that we had left is all gone.

Mr. Speaker, I submit that as the cities in North America become more congested, as the rat race becomes more pronounced, the value of our tourist potential, our recreational potential, the value of it will become more apparent. How will we then justify to our - it will be our children by that time - that we wiped out their heritage, we wiped out the only thing that we probably had going for them to keep them in Newfoundland in a rush for industrialization, it seems to me the only type of industrialization we are getting, Mr. Speaker, is what nobody else in this world wants. How will we then justify that, Sir? And let us forget for a minute, at least I want to forget for a minute, the value, the almighty dollar value of our recreational and tourist potential. I would like to look at it in the light of my right or my children's right as Newfoundlanders. Mr. Speaker, what makes us so jealous of our way of life in Newfoundland? It is not the climate, God forbid! It is not the money we are earning, Sir, I have said this before that most every Newfoundlander who is working today could be earning more money in Toronto or Boston or Vancouver.

Mr. Flight:

It is the knowledge, Sir, and for those of us who do not take advantage of it, it is the very fact that we can take for granted that within five minutes from now we can be out of this city and sitting by an unpolluted lake, breathing clean air. It is the knowledge that we have clean rivers. We do not have to use them. The fact that they are there makes us jealous, we want to come back. You know, we sound like a bunch of snobs. I have sat in our Provincial parks and sat back and puffed out my chest listening to tourists from the United States and all over the world telling me what a beautiful Province we have. And what are we doing with it? We are letting it go down the drain, Sir. What I am trying to say is that we owe it to our children, we owe it to the people who come after us to protect that environment, to make sure that, number one, it is there fifteen or twenty years from now if they want to develop it, if they want to make the money that can be made here, if Prince Edward Island can do with what assets they have in tourist development and recreational potential, imagine what Newfoundland can do.

Mr. Speaker, the hon. member from Kilmbride (Mr. Wells) in his speech - I do not know which one - but he indicated, Sir, and oh it was eloquent! If I were so eloquent, Mr. Speaker, I would tell you that our tourist potential will never be wiped out or our lakes would never be polluted.

MR. WELLS: Perhaps now on that note the hon. member would like to move the adjournment of the debate.

MR. FLIGHT: I still have a minute and a half, Mr. Speaker. I have been keeping an eye on the clock, almost two minutes. Since I would not want to miss referring to what I was about to refer to in my rush to, I will hereby adjourn the debate.

SOME HON. MEMBERS: Hear, hear!

MR. WELLS: Mr. Speaker, I do move that this House do now adjourn until tomorrow, Tuesday at 3:00 P.M.

On motion that this House at its rising do adjourn until tomorrow Tuesday, December 16 at 3:00 P.M.

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