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VERBATIM REPORT

TUESDAY, DECEMBER 2, 1975

SPEAKER; THE HONOURABLE GERALD RYAN OTTENHEIMER

The House met at 3:00 P.M.

Mr. Speaker in the Chair.

MR. SPEAKER: Order, please!

ORAL QUESTIONS

MR. SPEAKER: The hon. Member for LaPoile.

MR. S. A. NEARY: Mr. Speaker, in the absence of the Minister of Industrial and Rural Development I wonder if the Minister of Fisheries could tell us the government's new policy now concerning the construction of a new fish plant at Burgeo. What is happening in this regard?

MR. SPEAKER: The hon. Minister of Fisheries.

HON. W. CARTER: Mr. Speaker, that matter is still under investigation, and I think there will be a statement made on it some time in the near future.

MR. NEARY: Mr. Speaker, a supplementary question. Is the Minister of Fisheries aware that his colleague the Minister of Industrial Development has already made a statement on it today, and if so did he consult with the Minister of Fisheries before making this statement?

MR. W. CARTER: Yes he did, Mr. Speaker. And I am aware of the statement I think to the effect that officials of the department and the federal Department, I believe, of Public Works will be visiting Burgeo shortly to investigate the situation and there will be a statement coming later.

MR. SPEAKER: The hon. Member for Trinity-Bay de Verde.

MR. F. ROWE: Mr. Speaker, a question to the Minister of Education. Is the minister aware that a number of people in the District of Trinity-Bay de Verde and presumably in other districts throughout the Province are getting telephone calls and demand calls from a collection agency acting on behalf of certain school boards throughout the Province for payments of assessments that were due up to three and four years ago?

MR. SPEAKER: The hon. Minister of Education.

HON. W. HOUSE: Mr. Speaker, I am not aware of that, but I believe it is within the Board's right to do that.

MR. SPEAKER: The hon. Member for Trinity-Bay de Verde.

MR. F. ROWE: A supplementary, Mr. Speaker. Would the Minister of Education undertake to find out how many notices are being sent out on behalf of the school boards? And further to that, Mr. Speaker, could the minister indicate to the House whether or not the regulations that are being used by the school boards are consistent with the regulations of the government in connection with the school tax authorities, whether or not there is an inconsistency there? Because there are certain exemptions for school taxes but this is not the case for the assessments except in the case of widows.

MR. SPEAKER: The hon. Minister of Education.

MR. W. HOUSE: Mr. Speaker, I will look into the matter. I do not know for sure if the boards are using the new regulations with regard to the past assessments or not. I will investigate it.

MR. F. ROWE: A supplementary, Mr. Speaker. It is my understanding - just a slight preamble, if I am allowed, Mr. Speaker -

MR. SPEAKER: Certainly.

MR. F. ROWE: - that the school boards have different regulations, different school boards have different regulations, and they are certainly not consistent with the school tax authority regulations. Would the minister undertake to try and get the school boards to be consistent in this regard, consistent that is with the school tax regulations?

MR. SPEAKER: The hon. Minister of Education.

MR. W. HOUSE: I can only answer the same that I will look into it and have it investigated and report back.

MR. SPEAKER: The hon. Member for LaPoile.

MR. NEARY: Mr. Speaker, a question for the Minister of Justice, Sir. When an individual has been charged under the Criminal Code, the Federal Food and Drug Act, when an individual has been charged and let out on bail and jumps bail who gets the bail money? Is it the Province, or the Government of Canada?

MR. SPEAKER: The hon. Minister of Justice.

HON. T. A. HICKMAN: The question I believe that the hon. gentleman from LaPoile is asking, what he is saying is, what is the

Mr. Hickman:

situation where a person is charged under the Narcotics Act, not under the Criminal Code. A person charged, Mr. Speaker, under the Narcotics Act, if there is a forfeiture of bail, the bail goes to the Federal Crown, the Crown in right of Canada, as do all fines that are imposed where a prosecution is undertaken on behalf of the Minister of Justice of Canada. And for the record the Province has absolutely no jurisdiction over narcotic cases.

MR. SPEAKER: The hon. Member for LaPoile.

MR. NEARY: Mr. Speaker, a supplementary question. Would the minister tell the House what role his department plays in these cases? Is the Crown prosecutor involved in any way? Does the minister have any involvement at all in these kind of cases?

MR. SPEAKER: The hon. Minister of Justice.

MR. HICKMAN: Mr. Speaker, in cases under the Narcotics Act, and I thank the hon. gentleman for giving me the opportunity to repeat this because the prosecution is taken by a Crown prosecutor who is not on the staff of my department, he is retained by and acts as agent for the Attorney General of Canada. The only involvement that my department has is if, following conviction, a person is sentenced to serve a term less than two years we have to feed and house that person in a provincial institution. Other than that

Mr. Hickman.

We have no files in the department. We have no right of consultation, and there is no consultation, and, may I add, it is something that the ten Provincial Attorneys General had not been able to see eye to eye on with successive Governments of Canada, because we believe that it falls within the field of criminal law and if it does, it should come under our jurisdiction, but to date that position has not been accepted by the Government of Canada.

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, I am glad the hon. Premier just took his seat, Sir. Would the hon. Premier care to tell the House if there have been any more private meetings with Price (Nfld.) Limited, with Bowaters or with the board of directors of the Linerboard Mill in connection with the serious situation in the pulp and paper industry in the Province where the three mills are closed down at the present time, and if so, the results of these discussions?

MR. SPEAKER: The hon. Premier.

HON. F. D. MOORES (Premier): Not since yesterday when I replied to that question before, Mr. Speaker.

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

MR. G. FLIGHT: I direct this question to the Minister of Municipal Affairs. In view of the fact that the Patterson report has been tabled, and I would presume considered at least to a point by government, what is the government's next action relative to the recommendations made in the report particularly with an eye to the Grand Falls-Windsor recommendations? What action do they plan to take relative to the recommendation made in the report?

MR. SPEAKER: The hon. Minister of Municipal Affairs.

HON. B. PECKFORD (Minister of Municipal Affairs): Mr. Speaker, the report has only been released a couple of weeks, and we are waiting to hear some reaction from the local municipal authorities in the area now, and I suppose because of the mail strike could be one reason why - of course, you can use the mail strike for a lot of things, I know - but it would be one of the reasons why we have not had any indication from the municipal councils in the area. I am aware that the councils are looking at it. I have had some telephone conversations with them, but they are not in a

position as yet. They are just studying it. I think one of the councils have a committee set up to look at it so they are not in a position to give us any kind of a reaction to the recommendations and more or less are suggesting to the department that until some municipal input is given to the department that we hold off any kind of decision that we might make on our own. And further to that, of course, we do not want to make any definitive position on the report until we do have local input into what they think of the report's recommendations. So I envisage that in early Spring that we, after we get some reaction from the council, will go out as a department and sit down with both municipal bodies, with the members concerned, and any other interested parties, and have a seminar of some kind of discussion between all groups to determine just what the consensus would be on the report.

MR. SPEAKER: The hon. member for Port au Port.

MR. J. HODDER: I would like to direct this question to the hon. Minister of Social Services. Does your department intend to provide a cost of living increase in social assistance payments in January 1976, as indicated when the new Social Assistance Programme was introduced and similar to the cost of living increase that was given in January 1975?

MR. SPEAKER: The hon. Minister of Social Services.

HON. C. BRETT (Minister of Social Services): Mr. Speaker, I take notice of that question.

MR. SPEAKER: The hon. member for Baie Verte - White Bay.

MR. RIDEOUT: Mr. Speaker, I wish to direct a question to the Minister of Health. In view of the fact that recent national studies have shown that compulsory wearing of seat belts in all vehicles could save as much as \$75 million annually in medical bills, as well as countless lives, could the minister inform the House as to whether or not his department is prepared to recommend to government that the wearing of seat belts be made compulsory in this Province.

MR. SPEAKER: Order, please!

I would perhaps draw to the hon.gentleman's attention that a question with reference to what advice a minister will give in future, where the concept of future is involved, is, I think, out of order, whereas that question with respect to advice he has given is in order. I think the distinction is with what advice the minister will give or what in fact advice he has given.

The hon. member.

MR. NEARY: Mr. Speaker, I would like to ask the Minister of Transportation and Communications -

MR. ROBERTS: To a point of order, Mr. Speaker.

MR. SPEAKER: Order, please! I am sorry. A point of order has been raised.

MR. ROBERTS: My colleague was quite properly brought up by Your Honour but he was about to rise to rephrase the question. I wonder if he could be permitted so to do? We got loads of time in the question period. The hon. gentleman for LaPoile (Mr. Neary) can certainly get his question in, but the order is up to Your Honour.

MR. SPEAKER: Order, please!

MR. SPEAKER: Not on the point of order, I presume? I certainly appreciate the desire of the hon. gentleman to rephrase his question. I had previously recognized the hon. member for LaPoile and if he wishes to cede otherwise then I will recognize the hon. gentleman from Baie Verte-White Bay after the hon. member for LaPoile.

MR. NEARY: No, Mr. Speaker, Your Honour recognized a member of the House and that is my right, Sir, to put a question. I would like to put a question to the Minister of Transportation and Communications. What action has the minister taken on the federal government's request to make seat belts in all the provinces compulsory?

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

MR. MORGAN: Mr. Speaker, I am indeed pleased to announce that this Province will be taking part in an education programme this winter in conjunction with the federal government. The federal government is spending approximately \$500,000 on educational programme for the compulsory use of seat belts eventually and right now to educate people to use seat belts for safety purposes on our highways.

I am pleased to announce that this government will be also participating in that educational programme this Winter. After that programme is completed and analyzed and studied then this government will make a decision with regard to bring in legislation with regards to compulsory use of seat belts.

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

MR. FLIGHT: Mr. Speaker, a question for the Minister of Manpower and Industrial Relations. What is the tentative date for the completion of the Buchans Task Force Report and is the progress of the Buchans Task Force at this point is the progress - will the progress made to this point make it possible to reach the tentative completion date for the original task force?

MR. SPEAKER: The hon. Minister of Manpower.

MR. MAYNARD: Mr. Speaker, the date on which we expect to receive the final report would be March 1, 1976. We will have some preliminary reports

MR. MAYNARD: before then. The progress to date has been of such a nature that we would anticipate no delay in reaching that date.

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, a question for the Minister of Municipal Affairs and Housing, Sir. Would the minister care to give the House a progress report on the special investigation that is being made into consulting engineering fees paid out on behalf of the Town Council of Burin to consulting engineers for a water and sewer project in that municipality?

MR. SPEAKER: The hon. Minister of Municipal Affairs.

MR. PECKFORD: Mr. Speaker, I am not in the position at the present moment to give a detailed report on that enquiry or on the investigation that is being carried out by the Department of Municipal Affairs. When the enquiry is finished and all the work done I will then report to the House on what the findings are.

MR. NEARY: Mr. Speaker, a supplementary question; Could the minister tell the House what form the enquiry is taking and how long it will take? Is it an internal investigation? Is it being done by the Auditor General? Is it being done by the police? What course has the investigation taken? How long will it take to complete the investigation?

MR. SPEAKER: The hon. Minister of Municipal Affairs.

MR. PECKFORD: Mr. Speaker, in answer to a question a number of days ago I indicated that it was an internal investigation being carried out by engineers in the Department of Municipal Affairs and when we are in possession of all the facts and have analyzed them we will report to the House on what the conclusions are.

MR. SPEAKER: The hon. member for Carbonear.

MR. R. MOORES: In the absence of the Minister of Provincial Affairs and Environment, I would like to direct a question to the Minister of Justice with regard to a proposal for a piece of legislation via the Department of Provincial Affairs and Environment concerning the North Pond Heights Association to bring them under the jurisdiction of the Landlord-Tenants Act. What is the status of that legislation proposal?

MR. SPEAKER: It has been taken as notice.

The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, I would like to put a question to the Minister of Fisheries, Sir. Could the minister inform the House if his department or the government have entered into an agreement with the Government of Canada to share the cost fifty-fifty of carrying on an experiment in a fishing village in Newfoundland to upgrade the quality of fish in this Province?

MR. SPEAKER: The hon. Minister of Fisheries.

MR. CAPTER: Mr. Speaker, negotiations are underway with respect to the establishment of a model, prototype community, but certainly with respect to the cost-sharing arrangement it has not been finalized, not, at least, to the best of my knowledge.

MR. SPEAKER: The hon. member for Eagle Piver (Mr. Strachan).

MR. STRACHAN: A question for the Minister of Social Services.

Will the Minister of Social Services please tell the House what his department's policy is regarding the sometimes inclusion and sometimes removal of the word 'Labrador' from his letterhead.

MR. SPEAKER: Order, please!

I would point out to the hon. gentleman what is perhaps obvious, that inclusion in questions of matters which suggest debate should not strictly speaking be there.

The hon. member for Burin-Placentia (Mr. Canning).

MR. CANNING: Mr. Speaker, I would ask the Minister of Municipal Affairs and Housing if the minister will inform the House if his department has had any correspondence with the Burin town council regarding defects in the water system at Salmonier or Burin Bay Arm?

MR. SPEAKER: The hon. Minister of Municipal Affairs and Housing.

MR. PECKFORD: Mr. Speaker, I cannot answer the question. To my knowledge, I do not think so, but I cannot be really definitive on that. Defects in part of the water system that comes under the control and jurisdiction of the Burin town council, are you suggesting or relating that to the present whole situation to do with Burin in relation to consulting fees and the whole - well, I think we are aware that there are defects in some of the workmanship and some of the work that has been done on the projects, That is all part of the review that the engineers are doing and are supposed to report to me on, and will report to me on in a week or so.

So I can only say off the top of my head that we are aware of the whole situation in Burin in relation to the various projects, the four or five projects, part of which were paid by DREE and so on. But I cannot be any more specific off the top of my head.

MR. SPEAKER: The hon. member for Burin-Placentia (Mr. Canning).

MR. CANNING: A supplementary question, Mr. Speaker.

Will the minister inform the House if it is a fact that the system has cost over \$500,000 over and above that contract?

MR. SPEAKER: The hon. Minister of Municipal Affairs and Housing.

MR. PECKFORD: Mr. Speaker, you are into two different areas here. One is the contracts that are carried out by contractors and the other is the engineering fees which are charged by consulting engineering firms. So you have to separate both. And if you are asking the question, is the overrun on the contracts, the actual work completed, an overrun of \$500,000, I cannot answer it. There does seem to be some excessive costs in the consulting engineering fees that I am aware of. But I cannot give you an answer as to whether there were substantial overruns on the actual work that was done by contractors. I am aware that there are consulting fees and consulting charges by engineers which seem to be over and above the average that has been charged by all engineering firms in the last three or four years. I do not know if that answers your question or not.

MR. SPEAKER: The hon. member for Burin-Placentia. (Mr. Canning).

MR. CANNING: A supplementary question: Is the hon. minister going to investigate it or is it being investigated? Is the over-cost being investigated?

MR. SPEAKER: The hon. Minister of Municipal Affairs and Housing.

MR. PECKFORD: Yes, Mr. Speaker, All projects that overrun either on contract or in workmanship where there is an overrun or on consulting engineering fees are looked at. I would be pleased to discuss the matter with the hon. the member at his pleasure in the next few days, the details of that whole project.

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

MR. NEARY: Mr. Speaker, I would like to direct a question to the hon. the Premier, Sir. Would the hon. the Premier inform the House if there are any talks currently underway with European countries to get them to process their fish catches in Newfoundland, and would the Premier care to identify the countries that discussions are being

carried on with?

MR. SPEAKER: The hon. the Premier.

MR. MOORES: Not at the present moment, Mr. Speaker.

MR. SPEAKER: The hon. member for Windsor-Buchans (Mr. Flight).

MR. FLIGHT: Mr. Speaker, in the absence of the Minister of Mines and Energy, I will direct this question to the Premier. The Minister of Mines and Energy made a statement that mining the known ore reserves, the present reserves in Buchans, the life of the Buchans mine would be to 1979. The local media carried a statement by the minister that if the surrounding ore bodies are mined, then this would extend the life of Buchans as a mining town until 1985. Well, I ask where this information came from, please? What is the source of the information that would allow the minister to make that type of a statement because it has caused quite a ripple in Buchans, I can assure you.

MR. SPEAKER: The hon. the Premier.

PREMIER MOORFS:

The member said that the information was released yesterday. The minister has been in England for the last four days, Mr. Speaker.

I find that most unusual.

MR. FLIGHT: Quoted yesterday in the newspaper.

PREMIER MOORFS: I will have to take notice of the question. I have no idea, Mr. Speaker, of the answer.

MR. NEARY: Mr. Speaker, Sir, I wonder if the Minister of Industrial and Rural Development can tell the House how many jobs the new metal plant at Wabush will create and will the Province have to put any money into this venture? I think it is called Labrador Iron Works at Wabush. Does the minister know anything about it, how many jobs it will create? Will this Province be called upon to put any money into this venture?

MR. SPEAKER: The hon. minister.

MR. J. LUNDRIGAN (Minister of Industrial and Rural Development): In view of the fact that I am on my way to Port aux Basques to the Lions Club with the hon. member I thought I was going to get some preferential treatment from him in the way of questions. No way! Seriously, there is no way I can give a definite answer on that question.

MR. NEARY: That trip is not on today, it is on the ninth.

MR. LUNDRIGAN: I thought you were all with me on this stuff.

MR. W. CALLAN: Mr. Speaker, I would like to ask the Minister of Municipal Affairs and Housing what is the status of the half a dozen stadia that were included in the Spring's budget, whether or not these stadia will be completed now with the inflation and so on or whether the contracts for these stadia will be cancelled?

MR. SPEAKER: The hon. minister.

HON. B. PECKFORD: The whole stadium policy, Mr. Speaker, is one that has been developed by the Department of Recreation and Rehabilitation rather than the Department of Municipal Affairs and Housing. Because of the nature and progress to date on various stadia throughout the Province I would have to have a more specific question on a particular one and provide the hon. member with the information on

another day. I could not do it right now.

MR. SPEAKER: The hon. member from Exploits.

MR. S. MULROONEY: Mr. Speaker, the question to the Minister of Municipal Affairs. Is the Minister of Municipal Affairs aware of abuses in the allocation of low rental housing units in the Central Newfoundland region?

MR. LUNDRIGAN: Pompkey got all the answers.

MR. PECKFORD: I did not hear the question, Mr. Speaker.

MR. MULROONEY: Is the minister aware of abuses in the allocation of low rental housing units in the Central Newfoundland region?

MR. PECKFORD: There has never come to me evidence that would clearly and definitely show that there are abuses in the present low rental housing situation in Central Newfoundland in the way of allocation of apartments, if that is what you are getting at.

MR. SPEAKER: The hon. member for Exploits.

MR. MULROONEY: Has the minister's department implemented any policies to act as a safeguard against such potential abuses?

MR. PECKFORD: There is always under the low rental housing scheme a formula by which people or families are judged to be in need of housing. That formula is strictly adhered to by the various committees that chose tenants for these apartments. This formula is in effect and it is one based strictly on need and those who are most needy of better accommodations, improved accommodations receive any vacancy or any apartments first and so on down the line. So the safeguards are already there, Mr. Speaker, as far as I am concerned.

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, I would like to put a question, Sir, to the Minister of Manpower and Industrial Relations. Would the minister tell the House what action his government has taken in connection with foolish hiring practices of Iron Ore Company of Canada with the Federal Department of Manpower and Immigration to see that these practices of bringing in European workers will never again be allowed to take place in this Province while so many of our people are unemployed?

MR. SPEAKER: The hon. Minister of Manpower and Industrial Relations.

HON. E. MAYNARD: I believe the hon. member would be referring more specifically to the situation that happened about a year ago when some Portuguese people were imported for the iron ore operation, the Iron Ore Company operation. At that time I was not in the Department of Manpower. My colleague who is now the Minister of Forestry was there. Representation was made to the Federal Department of Manpower and Immigration and since that time they have consulted with us in all cases where there has been a request from any company to import labour from outside. As far as I know we have been consulted in all cases and there has only been exceptional circumstances where the people have not been available in the Province that they have been brought in from some other area.

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, I would like to put a question to the Minister of Forestry and Agriculture, Sir. It has to do with his own district as a matter of fact. Is the minister going to make any land available for service industries in Wabush and Labrador City so that the businessmen there can set up service industries and they will not be forced to go across the border into Quebec?

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

MR. ROUSSEAU: Mr. Speaker, I answer this question with the concurrence of my colleague, the Minister of Municipal Affairs and Housing. We have been trying for some two and a half, three years now to get some residential housing lots in Labrador City as well as in Wabush, and some industrial land in either town for building up industry, most of the industries of course are down in Seven Islands and we would like to see some of these industries in the Labrador City - Wabush area, especially now with the advent of the new town of Fermont associated with the Quebec Cartier Mining Operation we certainly do not want to see any industry go over there.

Now I have been dealing with my colleague, the Minister of Municipal Affairs and Housing on the issue of the Newfoundland and Labrador Development Corporation. In the original instance Wabush Mines gave to me their indication in a letter that they would make available any land for a nominal sum, which I assume to be \$1, for development of housing by the Newfoundland and Labrador Housing Corporation and there have been a long and protracted negotiations between the Newfoundland and Labrador Housing Corporation and the Wabush Mines in respect to sufficient land for large scale development, and also for a tract of land for industrial development in Wabush. As well the Iron Ore Company of Canada made available sufficient lots to build some 141 housing units. The preliminary tenders have been called within the past couple of weeks. I am very hopeful as the M.H.A. certainly that - The money has been allocated by government and I am very hopeful that a full and complete start on both projects, the housing project in Labrador City and Wabush will take place in the Spring.

MR. ROUSSEAU: In respect to the industrial development, negotiations are presently going on through Newfoundland and Labrador Housing Corporation and the Department of Intergovernmental Affairs and DREE to find out if there is any money available for the industrial development. I recently, in my capacity as M.H.A., had a call from a person who is interested in building a shopping centre in Labrador City and the Iron Ore Company of Canada did come to me about six or eight months ago and asked me if there was anybody interested in - a Newfoundlander interested in building a shopping centre and I kept that in mind and when this Newfoundlander approached me I put him on to the Iron Ore Company of Canada. So we are hopeful that within the next twelve to eighteen months we will see a great boom in respect to private housing, development of a shopping centre and an industrial base in Labrador City and Wabush. I thank the member very much for asking the question.

MR. SPEAKER: The hon. member for Twillingate.

MR. SMALLWOOD: Mr. Speaker, would the minister be kind enough to tell me why it is that he was able to answer the question so completely and readily and promptly, although he has not answered the same question of which notice was given, printed in the Order Paper about a fortnight ago? Is the way to get an answer that of standing and asking it orally without notice, or is it to give notice and have the question printed and then wait a few weeks and still not get the answer but the answer be given to an oral question asked at one-half minute's notice?

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

MR. ROUSSEAU: First of all, Mr. Speaker, may I apologize to the hon. member for any slight that I may have committed in that suggestion. The hon. member for Twillingate submitted quite a large number of questions. As the hon. member, I am sure, is aware that these questions normally go to officials in the department. I was not aware that one of them had been asked to me as the M.H.A. I answer this today as the M.H.A., when in effect the proper person to answer the question I think would be the Minister of

MR. ROUSSEAU: Municipal Affairs and Housing. So if I have in any way been discourteous, Mr. Speaker, I certainly apologize. I can assure the hon. member from Twillingate if the question is on the question paper it will also be answered. Again I apologize.

MR. SMALLWOOD: MR. Speaker, I wish to assure the hon. minister he is the last person, my old follower and friend from whom -

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MR. SMALLWOOD: - from whom I would expect any discourtesy. No it is now nearly a fortnight since we tabled a lot of questions and there has not been an answer to even one of them yet, not one

single question of nearly 600 has received an answer.

MR. SPEAKER: Order, please!

The thirty minutes has expired.

MR. ROUSSEAU: May I answer the question, Mr. Speaker?

MR. SPEAKER: With leave? With leave?

SOME HON. MEMBERS: Yes.

MR. ROUSSEAU: By leave.

I am sure the hon. member for Twillingate (Mr. Smallwood) can appreciate that in the number of questions posed to my department that I would almost have to take off my top level administrative staff full-time to do that. Some of the questions by the way do not belong to the department. They have been referred to the proper departments. I am sure that all the ministers are working dilligently trying to get the questions prepared and soon as the answers are ready, they will be tabled I can assure the hon. member.

MR. SPEAKER: Orders of the Day - the hon. Leader of the Opposition.

MR. ROBERTS: Mr. Speaker, before we proceed to Orders of the Day, I do not think there is any procedure, but it might be an appropriate time to ask if the Premier would convey congratulations from all of us to the absent Minister of Mines and Energy on the occasion of the minister's son who bears an honoured name in Newfoundland, Chesley Crosbie, having been selected as the Rhodes Scholar for this Province for the forthcoming year.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. Premier.

MR. MOORES: Mr. Speaker, with the minister's usual modesty he neglected to pass this on to me, and I am most pleased to hear of it and very sorry that I was not the one to bring it up in this House. The fact that the hon. Leader of the Opposition has spent more time appreciating, studying academia but certainly in this case appreciating a true value and that I am appreciative of. And certainly from the government side it is with great pleasure that we, on this side, certainly pay tribute as well to Mr. Chesley Crosbie. As he said, the name is one of tremendous importance and tremendous respect in this Province for many years.

The fact that the son of the Minister of Mines and Energy is following in his father's footsteps as far as academic brilliance and as far as potential as a concerned and able Newfoundlander is concerned is most welcome, and it is with great pleasure that this government associates itself with that remark.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, I do not know if there is any procedure. I am late. My former colleague, the Leader of the Opposition, Sir, - perhaps the Premier would like to also, while he is on his feet, express congratulations to the Reverend Genge for being elected the first Bishop of Central Newfoundland, and I would be glad to second the motion if the Premier would make the motion.

MR. SPEAKER: The hon. Premier.

MR. MOORES: Mr. Speaker, with all due respect - and I want to do this, and when we do it for the record of the House, I want to make sure it is done absolutely properly. That is something that will be prepared as an official motion tomorrow and certainly one, which as I say - I would gladly do it now, it is not that we want, but I would rather for the record of the House, Sir, that it be done absolutely accurately and properly when it is done.

ORDERS OF THE DAY:

MR. SPEAKER: Order 3, Committee of Ways and Means.

The adjourned debate upon the amendment. The hon. member for Twillingate adjourned the debate.

HON. J. R. SMALLWOOD: Mr. Speaker, the Budget Speech is a profound disappointment to me for the special reason that it reveals no evidence whatsoever that the government are conscious of the dangerous condition of our public finances. Either that or that they are conscious of it but are grievously lacking in the courage to apply the remedy. Our particular Newfoundland trouble today, Mr. Speaker, is not inflation. Inflation is not the cause of our trouble. The cause is overborrowing and overspending that has brought us to the present unhappy condition.

Overborrowing and overspending and living beyond our means, these are the government's sins of the past four years, and these are the sins that have brought us to this crisis. We are sitting, Mr. Speaker, on a veritable powder keg.

The Minister of Finance.

Mr. Smallwood:

mystifies me, He mystifies me because there is a wide discrepancy, a wide inconsistency between his written budget speech and his somewhat numerous, impromptu oral declarations on radio and T.V. You would think it was a bad case of split personality or that there are two men, not one.

MR. NEARY: The good guy and the bad guy.

MR. SMALLWOOD: He tells us that the situation is grim - he now confirms that with his affirmative nod - and brings down a budget which says no such thing. He says, "We must balance the budget," and refused by \$11 million to do so. His budget is neither fish, fowl nor good red herring. The amiable minister reminds me of the noble Duke of York: The noble Duke of York, he had 10,000 men, He marched them up to the top of the hill, And he marched them down again.

HON. MEMBERS: Hear, hear!

MR. SMALLWOOD: And when they were up,

MR. DOODY: they were up -

MR. SMALLWOOD: they were up, /

MR. DOODY: When they were down,

MR. SMALLWOOD: And when they were down, they were down, /

MR. DOODY: When they were -

MR. SMALLWOOD: And when they were only half-way up, / They were neither up nor down!"

HON. MEMBERS: Hear, hear!

MR. SMALLWOOD: The next time any notes for the press will not be sent until I have uttered the words.

SOME HON. MEMBERS: Hear, hear!

MR. DOODY: Excuse me, Sir, I would not resist. Ever since I was a little boy I have known the words.

MR. SMALLWOOD: Yes, a verse I know that was familiar to the hon. minister for long years past, I know.

I was struck though by one particular remarks of the Minister of Finance, He said that he had known for months that a tough budget would be needed. Well I accept that statement. The minister is an exceptionally intelligent hon. member. He was president of the Treasury Board, and a minister of the Crown, so of course he knew, he had to know, so I

Mr. Smallwood:

accept his statement unhesitatingly. I knew, and I am sure that he knew months ago, months before the general election, but I am puzzled to understand the next part of the minister's statement in which he declared his satisfaction over what he called the mandate that his party, the present administration had received in that general election to bring down a tough budget. I was not aware of such a mandate. I was not aware that such a mandate had been requested in the election. I was not aware that there had even been any mention of such a mandate. I heard and read not a single word or syllable about the matter throughout the election campaign or before the campaign began. It certainly was not hinted at in the budget speech brought down in this House last Spring. Was the genial minister only dreaming? Except for what I myself wrote and spoke on the matter during the election, I heard not a word about it until soon after the polls closed on the night of the 16th. of September. Then we heard it with a vengeance, quite a ferocious note from the Premier himself in his Time Magazine interview, and then his direct voice declaration on radio and T. V. Then for the first time, for the

MR. SMALLWOOD:

first time the electorate began to hear from the administration that Newfoundland might be in financial trouble, and it came as a great surprise to the people. So where was this mandate that the minister tells us his party received for a tough budget? Where was this mandate? I would like to hear a little more about it.

Now, Mr. Speaker, I feel obliged to point out that this present is no time for scolding. Admittedly it is galling for the opponents of the government to find the administration coming in here with their humble confessions of miscalculation, error, blunder after all their election confidence, all their pose that they knew what they were doing, all the quite false impression that they set out to leave on the public mind that all was well in public affairs. It is most galling for the government's opponents. That I admit. But I must still remind everyone concerned that just now is not the time for recrimination, not the time for goading the Premier for his failures or the ministers for theirs, not the time for rubbing it in. Rather this is very much the time for high-minded Newfoundland patriotism, old fashioned Newfoundland patriotism. What is best for Newfoundland now in this session, that is our problem. What is the solution, that is what should be in our minds and in our hearts. That is what being good Newfoundlanders amounts to right now. What shall be done?

Now there will be another general election and the people will have their chance again to judge the present administration. That is how democracy works. But at this present time the administration is in power. They are here and we are here and the problem is here. I have the temerity to suggest to this House that the good of Newfoundland requires us, all of us, to make our choice. Do we wish most of all to go after, to get after the government or to get after the Opposition, to attack them, to belittle them, to embarrass them, to bring them into disrepute? Or to get the Province's accounts balanced, to get Newfoundland back on an even keel, to bring our finances up by a round turn, to present our people with a united and unanimous decision from this House, that all necessary sacrifices must and will be made and made by all concerned to save our Province from

the danger of collapse? That is the question that we have to decide.

Mr. Speaker, in four years, almost four years, the present administration has spent a total of about \$3,000 million, \$3 billions. That happens to be about the amount that my administration of Her Majesty's government spent in nearly twenty-three years. \$3 billions in four years, \$3 billions in twenty-three years. In those same four years the present administration added \$900 million, just under \$1 billion to the public debt. My administration added \$700 million to the public debt in nearly twenty-three years. When I say 'public debt' I refer, as the present administration always referred when they were in Opposition, to the full public debt, direct and indirect.

For twenty-three years in this Chamber and in the former Chamber in Colonial Building, I sat as Premier and heard the opposition unanimously and always count the public debt as being made up of two amounts; (a) what the government went out itself and borrowed by the sale of bonds, debentures and so on, and; (b) what they guaranteed in behalf of others who borrowed, a municipality borrowed money, a corporation borrowed money, perhaps a school board borrowed money. But always in those cases on the guarantee of the government which meant, of course, and means that if the person who borrows the money fails to pay, then the government pays in full. So it is a debt of the government but an indirect debt. Always for twenty-three years the practice of the hon. gentlemen on the other side when they were in opposition was invariably to add the two together, the direct and the indirect debt and call it the public debt of Newfoundland, and I am doing the same thing.

Mr. Speaker, my administration added \$700 million to the public debt, direct and indirect, in nearly twenty-three years. I suggest to you, Mr. Speaker, that borrowing a couple of hundred million dollars more in four years than the preceding administration did in twenty-three years and spending about the same amount of money in four years as was spent in the preceding twenty-three years, was frenzied finance, unsound, unstable, unreasonable, dangerous. We

MR. SMALLWOOD:

would do well to remember the old saw about borrowing; rags make paper, paper makes money, money makes banks, banks made loans, loans made poverty, poverty makes rags. From rags to riches and back to rags again. We might remember that in this Province. We have reason to remember it because we went through it before and lost self-government as the penalty. For sixteen, seventeen years in Newfoundland we were ruled by appointed men, not elected. The legislature consisted of seven men, six commissioners and one governor acting as chairman. They were the legislature. There was no House of Assembly.

That legislature met at Government House in secret for nearly seventeen years and they governed Newfoundland as executive,

, legislature all rolled in one for nearly seventeen years and that was the penalty that Newfoundland paid for going bankrupt, for spending more money than she had and borrowing the difference until the moment came when she could not borrow the difference, when she was hopelessly in debt. We paid a bitter price for that. The humiliation, the humiliation of it, seared the souls of some of us. It was perhaps in public affairs the most terrible time through which Newfoundland ever went. So we went from rags to riches and back to rags again before, and it can happen again.

AN HON. MEMBER: That could not happen now. We are a province of Canada.

MR. SMALLWOOD: It could happen now. It could easily happen now.

The Government of Canada are not responsible for the budget of this Province or of any province. Once only in Canadian history did the Government of Canada come to the rescue of a province that was destitute, two provinces in fact, Saskatchewan and Alberta, in the Great Depression, the Great Depression, when Newfoundland almost literally starved to death and Canada was on the broad of her back. Canada then came to the rescue of those two provinces by certain loans that the Treasury of Canada made to the treasuries of those provinces - once only in Canada's history.

Now undeniably, Mr. Speaker, it is great fun to borrow and borrow and spend and spend and go deeper and deeper in debt, great fun to burn the candle at both ends or as the American poetess Edna St. Vincent Millay says, "My candle burns at both ends;/ It will not last the night;/ But, ah, my foes, and, oh, my friends/ It gives a lovely light." The trouble is, of course, that it brings you also to the danger of not having a candle to burn at either end. And let us agree, surely, Mr. Speaker, let us agree in this House that we must reject the philosophy of the American humourist, Artemus Ward, when he said, "Let us all be happy and live within our means even if we have to borrow the money to do it with." Let us reject that. That was our philosophy once, and it got us in deep, deep trouble. I am being driven, Mr. Speaker, to the unwelcomed conclusion that the government so far as their and Newfoundland's financial state is concerned, are living

Mr. Smallwood.

In a dream world. And not only the government! I find from the nature of many of the questions that the dream world character of hon. members is not found only on the opposite side of the House. Government are living, I say, in a dream world, a condition of unreality in public finance, a kind of financial Nirvana. They neither appear nor sound like realists, like people who know what they are about.

Now here they were facing a deficit, a shortage of little over \$30 million in their budget for this present year on current account, excluding capital account, a \$30 million deficit in one year. So with pre-announcements of stern Cromwellian action to come they call this House together and a few hours later they bring down this allegedly harsh document, the Fall budget.

MR. SMALLWOOD: and what does this pretendedly stern budget say? That the budget is absolutely and absolutely to be balanced on current account this year, that the \$30 million shortage is to be wiped out through new or increased taxation and also through sweeping economies; that the government would not dream of ending the year with a deficit. No, indeed, something less, something a lot less. Some economies, yes. Some increased tax revenues, yes. Enough when put together to leave us with a deficit, not of the whole \$30 millions but the paltry, the trifling, the inconsequential amount of just over \$11 million.

Now the minister himself did not quite pooh-pooh the size of this paltry deficit of \$11 million. He used a milder term, manageable, whatever he might have meant by that, manageable. And so after just four years, not quite four years, not until the 18th. of January next, a date I have good reason to remember and the hon. the gentleman who is my successor has even better reason, perhaps, to remember, more pleasant reason anyway to remember.

MR. NEARY: Our absent comrade.

MR. SMALLWOOD: Not quite four years of this present administration, our financial delirium has reached the state where an \$11 million deficit on current account is something that we are not supposed to get excited about. It is manageable, even though in this very same financial year by their borrowing they are winding another millstone of over \$25 million a year around the people's necks by their borrowing. How are we to fathom a government, Mr. Speaker, that in the one same budget confesses miscalculations of their own making of \$30 million, declare their intention to reduce the \$30 million to what is still a startling \$11 million deficit for the year? In the same budget announce that they are still going to borrow \$55 million in what is left of the year, on top of the one hundred and sixty odd millions already borrowed this same year; and then in the same budget, almost in the same breath announce yet another \$200 millions that they say they will be borrowing next year, to bring the Province's total debt then up to \$1800 million. How are we to fathom such a government? Can they even fathom themselves?

MR. SMALLWOOD: I find in the government a grievous absence of a realistic hard-boiled, down-to-earth realization of the very perilous state of our economy and of our public finances. I see no sign of an intention in them to take the hard, realistic, difficult, unpopular steps that must be taken, that would have to be taken if I were Premier, that would have to be taken whoever was Premier and whatever the label of the party that formed the administration.

I see no sign whatsoever of any such determination in the government. Indeed this present budget, Sir, is replete, chock-a-block full of rosy promises of business as usual as the House will easily perceive by looking especially on pages one, two, three, eleven, twelve and nineteen of the budget, business as usual.

Now let me say that I look, I expect, I look for no breast beating from the government, no poor mouth,

no wailing or gnashing of teeth. I do look for resolute decision by then to slow down our great forward leap of the past quarter century, and to slow down perceptibly and adequately for the next two or three or four years until the Newfoundland Ship of State rides out the storm and gets once more on an even keel. It can be done and it should be done.

Now the great Winston Churchill was not thinking of Newfoundland but of his own native land, his own native island when with astonishing, prophetic vision Churchill said, and I quote his words precisely, "I have watched this famous island descending incontinently, fecklessly the stairway which leads to a dark gulf. It is a fine, broad stairway at the beginning but after a bit the carpet ends. A little farther on there are only flagstones and a little farther still these break beneath your feet." Mr. Speaker, our Province has descended all too far down that fine, broad stairway.

Another thing, Mr. Speaker, to which I invite the attention of hon. members is that governments ought to base their policies on well defined principles and so it should be today in this present predicament. The government's decisions and actions in this matter should be based on principle, common justice, common fair play, common sense and above all, sound economic principles all require, all, that there be equality in the sacrifice that the population are compelled, asked and compelled to make so that the government can achieve a balanced budget. Equality of sacrifice is a sine qua non of this whole situation. It is a mockery to tax a millionaire and a poor bread-winner at the same arithmetical rate of tax, for the same ten per cent that is disastrous to a poor widow is not even a flea bite to a rich man. It is only the equality of the sacrifice that can leave Newfoundlanders patient and good natured in this whole sad predicament.

Mr. Speaker, I propose to move a sub-amendment, an amendment to the amendment seconded - not by the hon. the Premier, though I would gladly welcome his action if he were to second this sub-amendment,

but not having consulted him, he now being taken by surprise, I really do not expect him to second it though I hope he votes for it- but seconded by the hon. the member for Bellevue, I move the addition of the following words to the amendment moved here in this House yesterday, "and deplores the inordinate swelling of the public debt of recent years and urges the government to limit severely for the foreseeable future the amount by which the debt is increased."

Mr. Speaker, I have the honour to send a copy to Your Honour and a copy to the Premier in the hope that he will give it his most ardent support, and a copy to the Leader of the Opposition and a copy to the Independent Liberal member for LaPoile and anyone else who wants it and at the same time to the gentlemen in the press gallery.

Mr. Smallwood:

If the sub-amendment, if the amendment to the amendment is in order, Mr. Speaker, I will continue. And may I say I have not got a long speech, Altogether on everything I do not think it will reach quite an hour.

AN HON. MEMBER: It has.

MR. SMALLWOOD: Well, having moved the sub-amendment I think I have -

AN HON. MEMBER: You have ample time.

MR. SMALLWOOD: Well all right. Okay. And I will try, so help me God, be fair, honourable, and sensible.

MR. SPEAKER: Order, please! The amendment to the amendment has been submitted to me, and, of course, now for that to be debated it is supposed to be proposed by the Chair. It has been moved, as the hon. members know, by the Member for Twillingate (Mr. Smallwood) and seconded by the hon. Member for Bellevue (Mr. Callan) and reads; moved and seconded that the following words be added to the amendment:

"And deplores the inordinate swelling of the public debt of recent years and urges the government to limit severely for the foreseeable future the amount by which the debt is increased."

The hon. Member for Twillingate.

MR. SMALLWOOD: Mr. Speaker, let me illustrate for the House the deadly nature of this frenetic, crazy borrowing. In the current financial year, which terminates on the 31st. of March next, the total amount of borrowing is \$222 million, in one year - page 10 of the Budget Speech. In the coming financial year, which commences on April 1st next, another \$200 million is to be added to the public debt - page 12 of the Budget Speech. Now that is a total of \$422 million added to the public debt in two years, only \$78 million below half a billion in two years. And we are not talking about Ontario, we are talking about Newfoundland and Labrador. Actually an amount, \$422 million, an amount two-thirds as much as was added to the debt in the twenty-three years preceding. In two years two-thirds added on, not counting the preceding two years just this year and the coming year \$422 million equal to two-thirds of all that was added to the debt in the preceding twenty-three years. I suggest, Mr. Speaker, that \$422 million in two

Mr. Smallwood:

years that is frenzied finance if ever there was frenzied finance. Do you know what the yearly cost of that vast sum is, Mr. Speaker? The yearly cost of it? You borrow \$422 million and it has a yearly cost, We Newfoundlanders have got to pay interest on those loans, interest and sinking fund, not once, but every year in every yearly budget. The Minister of Finance has got to show it in his Budget Speech, and, more than that, he has got to pay the interest and sinking fund each year without fail, and he has got to find the money with which to pay it each year, Forget for the moment the scores and hundreds of millions that we had already borrowed before this latest burden, this \$422 million, for the moment forget that vast and almost unbelievable sum. We have to pay interest and sinking fund on what we borrowed in those earlier years, but forget those hundreds of millions for the moment and have regard only to this latest burden, this year and the coming year, of \$422 million. On it, Mr. Speaker, we will have to pay every twelve months not less than \$50 million, every twelve

MR. SMALLWOOD:

months in respect only of the borrowing of these two years, the present year and the coming one. Fifty millions a year, the unfortunate minister will have somehow, somewhere to find because he is the one who is expected to pay it.

MR. NEARY: That is provided we can get close to some money.

MR. SMALLWOOD: Now, we have to pay it every year for the next ten, fifteen, twenty years, whatever happens to be the life of the bond issues. It comes, Mr. Speaker, to ninety dollars every year from every man, every woman, every child, every infant in our Province; \$450 or so a year from every family, \$450 a year from every family in Newfoundland just to service the debt contracted this year and to be contracted in the coming year, that \$422 million! Fifty millions a year, not less, comes to \$450 a year, not less, from every family in the Province. That is the debt that has been run up or will have been run up in just those two years alone.

I realize of course, Mr. Speaker, I realize having been Minister of Finance myself, having written twenty-three budget speeches - ah yes, the minister may smile but there is no Province in Canada of the ten in which it is not the Premier who is the real Minister of Finance always. He may not carry the title. He may not have the portfolio, but finance is the heart and soul of every administration and no Premier can allow that to get out of his hands, get out of his grip. He may indeed choose one of his colleagues, respected, popular if possible, to be the administration's minister, the Queen's Minister of Finance, and he may leave it to that minister and the Treasury Board and the very competent and able men in the great Department of Finance - and it has become a great Department, and I am rather proud of the fact that I began that, I began to build the Treasury Board without which the minister would have a much more miserable time than he is having, as he would be the first to admit.

I realize that it may be the government's strategy when faced by a current account deficit of over \$30 million in the present year, it may be their strategy to tackle that appalling deficit in two bites, or with two bites, \$20 million this year and \$11 million next year. After all, they probably argue, if they can wipe out \$20 millions

MR. SMALLWOOD:

of it in this year, or what is left of this year which is only, what is it, four or five months, if they can somehow find a way by increased taxation and economies to save \$20 millions in what is left of this year, they may be thinking to themselves, well, it should not be too difficult in the coming year to absorb the remaining \$11 million so that this year will end next year on an even keel with regard to current account. That, I would imagine, is their thinking. Perhaps it is possible to do it, perhaps it is.

But, Sir, next year will bring its own cares and demands and problems. As just one example of that, the present budget speech tells us that they intend to add another \$200 million to the public debt next year. That will cost us another \$25 million, it will cost government, it will cost Newfoundland, another \$25 million in interest and sinking funds. That much, \$25 million, plus the \$11 million to be carried over from this year to next year, means a total of \$36 million extra that we will have to find in next year's budget, and that is only one example. I do not say that it cannot be done

MR. SMALLWOOD: Surely we should have no doubt in our minds in this House, we should have no doubt in our minds about the government's implacable, relentless resolution to balance next year's current account of income and spending. I would hate to think it was otherwise. I would hate to think that the government would contemplate, even for a split second, the idea of ending this year with a deficit of \$11 million and ending next year with another substantial deficit. I would hate to think that our Province, the government of our Province, is being administered by hon. gentlemen so lamentably shortsighted.

I am not too much concerned at this moment on that side of the situation, the current account side. I assume that, you know, with resolution, with a keen, vivid, realization of the mess our dear Province is in in its financial affairs, that the government will take care of that current account situation. It will mean an awful lot of belt tightening, it will mean an awful lot of denials to the people, And they will never find me condemning them for doing what must be done. They will not find me joining in any hue and cry against them. I hope I think too much about Newfoundland for that. I hope I can put Newfoundland's cause sufficiently ahead of any partisan interest to do that.

What concerns me, rather, is the capital account side, the debt side. Is the minister, is the Premier, are the government and their supporters in this House reconciled, are they reconciled, are they resigned to that \$200 million figure of yearly swelling, distention, inflation of our public debt? Do they accept \$200 million additional debt as being now a normal condition? Are they reconciled to it? Are they resigned to the idea of adding \$25 million a year in the interest and sinking fund burden? Are they reconciled to that? \$200 million or more, and sometimes much more, has been this administration's yearly dilation of the debt since they came in. Some years it has been much more than \$200 million. In fact, this current year it is \$220 million and in their four years they will have averaged well over \$200 million a year added to the debt. Do they really and truly risk, are they willing to risk Newfoundland's destruction at the rate of a continued \$200 million a year expansion of the

MR. SPALLWOOD: debt? Are they willing to take that chance?

Each succeeding year \$200 million will add a new and additional yearly burden of \$25 million. Borrow \$200 million next year and for the next fifteen years afterwards you will have to find \$25 millions a year to service that debt. The year after borrow another \$200 million and every year then for fifteen or eighteen years you have got to find another \$25 million. The year after that borrow another \$200 million and that is an extra \$25 million again. That is \$75 million a year until, Mr. Speaker, until the debt reaches the point where nobody, no bank, no insurance company, no lending institution anywhere, even Saudi Arabia, no one anywhere will be willing to risk any more money with Newfoundland.

MR. SMALLWOOD:

Now, if the present administration remain in office as managers of our economy the full constitutional term of five years from October 19 past-which I expect them to do, very frankly- and during those years they add an additional new \$200 millions every year to the debt, they will then be increasing the debt by \$1 billion higher than it is at this moment. Have I made myself clear? Constitutionally the present administration may stay in office for five years dating from the day that this House was constituted. When we came in here that morning, signed the role, took the oath, elected a Speaker, from that date constitutionally the present administration, so long as they continue to command a majority of the hon. members in this Chamber, will be the government and if they remain there for those full five years at the rate of \$200 millions a year added to the debt they will have added another \$1 billion, another \$1,000 million to the present existing debt.

Now to service that extra amount of debt, to pay interest and sinking fund on it, it will cost Newfoundland an extra \$120 million a year. That is an extra \$120 million a year over and above the present \$100 million a year that it is costing us now for interest and sinking fund on the dreadful public debt that we already have. I would have no love for this Province if I failed to warn the Premier and Cabinet and this House and the people of Newfoundland, warn them of the grievous calamity toward which we are rushing with fearsome velocity. "Not once or twice in our rough Island story," to quote, Mr. Speaker, "the path of duty was the path to glory." My appeal is that we follow the path of duty in Newfoundland beginning now in this session before it is too late.

The preposterous character of our public debt is easily seen when it is compared with Nova Scotia's public debt. That Province's population is around 800,000 souls as compared with our 540,000. They have over a quarter of a million people more than we do. So, of course, the comparison of the debts of the two Provinces is

MR. SMALLWOOD:

perhaps best shown as a per capita figure. What is the debt of each man, woman and child in Nova Scotia and what in our Province? Our public debt is \$1.6 billions, \$1.6 billions. Expressed perhaps more simply the figure is \$1,600 million. That vast figure is the total of two different amount, the total net direct debt and the total indirect debt of the Province. Now that is a per capital debt, for every man, woman and child in our Province including the youngest or latest baby born of \$3,000. Any infant born next week or next month or until the end of March will find a \$3,000 debt facing it as its share of the public debt, \$3,000 per person. It is

Mr. Smallwood.

a lot more per family. After next March, when we enter the new financial year, and the total debt is increased by another \$200 million, the per capita debt will go up another \$370 for every man, woman and child in our Province. Every living person in our Province is in debt \$3,000.

In Nova Scotia the public debt is \$676 million net, direct and also indirect debt, the two together, taking exactly the same formula in the two provinces. And I talked with the Finance Department of Nova Scotia. I could have called other provinces. I called only Nova Scotia to get their latest figures. The net direct debt in Nova Scotia is \$319 million, The indirect debt is \$357 million, total \$676 million altogether in a province with one quarter of a million more, half as many more population as we have. Now, Mr. Speaker, that is \$900 million less than our debt, one quarter of a million more people with \$900 million less public debt. And their per capita in Nova Scotia is \$800. Ours is \$3,000.

MR. DOODY: Mr. Speaker, does that include Nova Scotia Hydro?

MR. SMALLWOOD: That includes all their debt, direct and indirect. Debt is debt. There is no question about that.

Almost four times the debt that every Nova Scotian young and old owes, almost four times that, we owe in Newfoundland.

Now our Province has been going in debt more than \$200 million additional each year. One year succeeds the other, another \$200 million, \$220 million, \$230 million, \$240 million, \$250 million and the present Budget Speech tells us that the government plan to go another \$200 million next year. We cannot go on at this rate, Mr. Speaker. We cannot, and we must not. Our Province stands desperately in need of at least a partial moratorium on capital account spending and capital account borrowing. We must stop and catch our breath. We must have an armistice in our twenty-six year old war, Newfoundland's war on poverty, backwardness, underdevelopment, undevelopment, this noble war that our Province has waged to this moment. We must have an armistice, a cease fire, a prorogation, not a dissolution, a prorogation.

When we finish this session the Lieutenant-Governor will come here and prorogue us, not dissolve us, not end us, just prorogue us. We will meet again in the following session. What we need now with regard to our public debt and borrowing is a prorogation, Prorogue this borrowing, defer it, delay it! If we hesitate now in this matter in our borrowing, mad, headlong borrowing, if we hesitate now, we will live to fight another day. It is not the end. It can become the end.

Now, Mr. Speaker, such borrowing and such spending could be justified, but only if in the same period there had been counterbalancing development of the basic industries of this Province. While we were borrowing and spending at such a breath-taking pace we had been creating industries and developing and expanding and strengthening and broadening and deepening our economy,

Mr. Smallwood:

perhaps we could have taken that borrowing and spending in our stride. But will anyone argue that in recent years the fishing industry, the mining industry, the forest industry, the agricultural industry have seen new projects or expansion of old projects to match those sensational increases in borrowing and spending? Could anyone argue that? We have seen the virtual termination of construction at Churchill Falls and at Stephenville and at Come By Chance and at Long Harbour and at Marystown and at Bay d'Espoir. Admittedly, admittedly, admittedly, undeniably we have seen hospitals and schools and houses going up at a cost of tens and even hundreds of millions of dollars, and we have seen hundreds even thousands of millions pouring in here from Ottawa through DREE and ARDA and LIP and half a dozen other federal agencies. And we have seen hundreds of millions of dollars pouring in here from Ottawa for unemployment insurance, and more hundreds of millions from Ottawa for family allowances, old age pensions, Canada pensions, veterans allowances, military pensions, railroaders salaries and half a hundred other good and useful and welcoming benefactions from Ottawa. But how many new basic industries have been created by all of that money? It has been welcomed, that Ottawa money, more than welcomed. Welcome is hardly the word for it. Newfoundlanders are much the better, incomparably the better for Ottawa's generosity. There are no two ways about that, Mr. Speaker. And it is one of the many reasons that we may thank the merciful Almighty God for Confederation. We would be on the broad of our back today without Confederation. But, Mr. Speaker, it was not to become a federal poorhouse that we joined Canada. And being a poorhouse will never make us the strong, vibrant Province that we want to be, and certainly will never make it right to do the phenomenal overborrowing and overspending that we have seen these past four years. And why, incidentally, why, in passing, should I not ask the House to try, at least to try to imagine the catastrophe that would overwhelm our Province and people if for any reason Ottawa were to turn off the tap, if Ottawa were to shut

Mr. Smallwood:

off a large part of that flood of dollars pouring into our Province? It is not a pleasant thought, Mr. Speaker. If your rich uncle puts you on a fairly generous cash allowance, enough to let you get along somehow or other, you may get to feel no strong need to have a trade or profession of your own, no need to have your own independent means of making a living. You may even get to feel that you can go on, just go on living on your rich uncle's grace and favour. You may feel thus, but it is a way of life that is dangerous, insecure, impermanent, somewhat satisfying while it lasts perhaps, but liable to be cut off at any time, or at least drastically reduced.

Mr. Speaker, the House will perhaps not begrudge me a moment in passing to draw particular attention to the vast, the almost inconceivable sums of money that the Government of Canada are pouring into our Province each year these times.

MR. SMALLWOOD:

The figures I give at this point are not precise. They are more in the nature of ball park estimates, but I believe that they are not far out. They do not roam into the past, they deal with the here and now. I believe that in this present financial year Ottawa, in a variety of payments made to the government of the Province and other payments made direct to the people, are delivering well over \$1 billion to this Province, this year. Indeed, Sir, when you add up the amounts paid to our government and to the CNR and the CNT and the CBC and the airports and marine establishments and lighthouses and the federal civil service and in unemployment insurance, in veterans allowances, in Canada pension, in old age assistance, in family allowances, in civil pensions and through DREE and ARDA and LIP and several other such agencies, Central Mortgage and Housing Corporation, military establishments, federal police, courts, trade schools and other agencies, almost too numerous to count, if you add these up, I think that you will find them to total at least \$1,250,000,000 this year coming from Ottawa into Newfoundland. The figure, of course, is gross, not net.

Mr. Speaker, do we really and truly grasp what this means to us this year in Newfoundland, that \$1,250,000,000 from Ottawa? Do we fully grasp the almost incalculable significance of it? The total amount of Newfoundland money - and I am drawing a distinction between Ottawa money and Newfoundland money - the total amount of Newfoundland money going into the pockets of the scores of thousands of men and women in the pulpwood and paper industries and the mining industries and the fishing industry and agriculture and in factories and shops and offices and schools and garages and gas stations and truck and bus and taxi drivers and a half a dozen other trades and occupations, the total of all that money is possibly as much as \$1 billion, not much less than \$1 billion, Newfoundland money going into the pockets of our people or only \$250,000,000 short of what Ottawa is putting into our people's pockets this year.

Now, all of these figures are gross, of course, for both federal and provincial taxes and fees and profits and other charges

MR. SMALLWOOD:

have to come off to arrive at the net figure. We must make some allowance for overlapping and duplication. Mr. Speaker, Ottawa money is giving a living to more Newfoundlanders in Newfoundland today than Newfoundland money is doing. The total wage bill of all our industry combined does not reach the figure of the amount that Ottawa is pouring in here to the government to be passed on to the people or direct to the people. Of all the people working in Newfoundland today and not working, more of them are getting cash from the Ottawa government than from the Newfoundland government or any other Newfoundland source. The net effect of all this is enough, even if there is nothing else, enough to fill the heart of every living Confederate with happiness and pride. Try to picture us without it.

MR. SMALLWOOD:

Mr. Speaker, what of the future? There was a general election a few weeks ago. In the normal course of events the administration have a maximum of five years still to go before another dissolution and general election. They have in this House if not a large or overwhelming majority, at any rate a safe working majority - twenty-nine to twenty-one, majority eight. They do not have to be timid in their approach. They have got five years ahead of them. They do not have to be timid. They do not have to be fearful. They can dare to be big, to be bold, to be patriotic. They can dare do it. Unpleasant things need to be done to get our Province in good financial shape. Do them! Do those things! Sacrifice will be needed from the public. Do not hesitate to request it. The people will respond. I tell you they will respond provided the government play it straight, provided the government make it abundantly, abundantly, absolutely, abundantly clear that they are determined to get the Province on an even keel once again and above all provided that there is that equality of sacrifice of which I have spoken. Retrenchment, retrenchment is what is needed, pulling in the belt, economizing, saving money, eliminating waste, eliminating luxuries. Simplicity is what is needed, cut out the frills. Do this everywhere, in everything, in buildings, in motor cars, in heat and light and paper and telephones and telegraphs and travel and airplanes and rented space and 100, 500 other fields and activities. Retrenchment, relentless retrenchment, even perhaps briefly, a year or two, cruel retrenchment because we still have not caught up, you know, in this Province in spite of our twenty-six years, twenty-seven years of expansion and growth and forward and upward movement, we still have not caught up with any but the very poorest of the remaining Provinces of Canada. It seems heartbreaking, it is heartbreaking for us to have to slow that down but we have got to do it. We have no choice - well we have a choice. It is not a good choice. I will not use the word to describe that choice. I will not be quoted for the use of that word that is in my mind all the time, the possibility of it. Retrenchment and simplicity

MR. SMALLWOOD:

and reform - do not pull your punches on reform. Reform ought not, in any sense or degree, be a monopoly in the thinking of the small group of us here. Reform should be in the minds of every hon. member of this House on both sides because if ever there was a time when Newfoundland needed reform it is now. Retrenchment, simplicity, reform and do not pull your punches on that. Do not forget for one moment that we are still a small Province, still a poor Province, poor in arrived wealth - potential wealth, we believe that we are not all that poor, but we have not got that. You cannot cash a cheque on that. You cannot pay a grocer on it. We are a poor Province. We are a small Province. We are still a Province that just cannot afford to keep up with the Jones across Canada. We cannot even keep up with our own record of the past decade or so.

MR. SMALLWOOD:

We have got to reduce spending these next few years by scores, yes, by hundreds of millions of dollars each year. When the Premier declared in an interview a few weeks ago that we would have to lop \$100 million, maybe \$150 million a year off the spending of the government, he was too modest. That will not do it. It has got to be more than that. And, Mr. Speaker, let us face it man fashion. If the people of Newfoundland are told, if they are made to understand without our using certain ugly words which would be quoted outside Newfoundland, if the people once understand that we have got to pause, we have got to mark time, not go back but just stop going ahead for a couple or three years, stop borrowing, stop spending to an enormous extent, get her on an even keel again and then go to it.

Hundreds of millions - how long, Mr. Speaker, how long will all this retrenchment take, all this economizing, all this belt tightening? Some of it, I suggest, right on into the future, the next ten, fifteen, twenty years, some of it. The more violent part of it, the more drastic component, for the next three years or four years at least. Cut borrowing down to the bone, down to the point where the interest in sinking funds will cost us no more than, say, an additional \$5 million each succeeding year. That means a borrowing of less than \$50 million a year, perhaps well below \$50 million a year. Cut the spending down to a maximum of \$700 million a year, current account and capital account combined. It will raise cries of anguish and the loudest cries will come from the members of this House, the ministers and all who represent constituents. They will be immediately the butt of their constituents, attacks on them, demands, clamorous demands - We have waited so long for this. This settlement had water and sewerage, why can we not have water and sewerage? That settlement has artesian wells, why cannot we? That settlement has its main road paved, why cannot ours be paved? That place had a road rebuilt, why cannot our road be rebuilt? That district has a park, why cannot our district have a park? This school needs to be demolished and a new one put in its place. The number of students in a classroom needs to be reduced, it is too

MR. SMALLWOOD:

heavy a burden on the teacher, reduce the number. A hospital needs to be built here. A hospital needs to be built there. A hospital needs to be built somewhere else. A clinic here, a clinic there.

"Man wants but little here below, / Nor wants that little long."
Tell that to an elected member of this House, that the people want little and do not want it long. It is far from that, and so we members will be the victims of the first attack and it will come over the telephone or by telegram or by letter and by personal visit.

Alright, if we are prepared, if number one, we realize that Newfoundland is in a parlous state,

Mr. Smallwood:

if we realize it, and, number two, if we agree that we must cure that, and, number three, if we agree that this can be done only by drastic reduction in spending and above all in borrowing, if we agree on all of that, in short, if we agree to put Newfoundland, her cause, her welfare ahead of ours as this party or that, as this member or that, if we can agree on that, and I do not see how in God's name we can fail to agree on it - that is why I was not really joking when I said that I would like to see the hon. the Premier second this sub-amendment. When it is voted on it will be the first motion to be put by Mr. Speaker, and then the amendment and then the motion. I am sure there are four votes, if we are here, there will be four votes cast for this sub-amendment. I would like to see it carried unanimously, because a rejection of it, a vote against it is a vote against Newfoundland. I say, Mr. Speaker, it will raise cries of anguish, but it will save our Province.

SOME HON. MEMBER: Hear, hear!

MR. SPEAKER (MR. COLLINS): The hon. Member for Kilbride.

HON. R. WELLS: Mr. Speaker, we have listened to the hon. Member for Twillingate (Mr. Smallwood) and I think it would be remiss of me if I did not say that he has raised the standard of debate in this House.

AN HON. MEMBER: Hear, hear!

MR. WELLS: I have heard him before when I sat in the galleries, but it is the first time that I have sat on the floor of this House as a member and heard him speak, and it has raised the standard of debate.

AN HON. MEMBER: Hear, hear!

MR. WELLS: I am sure he will not mind -

SOME HON. MEMBERS: Hear, hear!

MR. WELLS: - he is right in a great many respects, but he is not altogether right in my opinion, Mr. Speaker, I am sure he will not mind if I tell the brief story of a friend of mine who went to a speech that the hon. member gave some sixteen or seventeen years ago, and he came to work the next morning and was talking to me about it. And he said, you know, I was there, and I heard the Premier (as he then

Mr. Wells:

was, I heard him speak and it was a marvelous speech, and it was about a subject that I knew a great deal about, the person telling me said. He said, I heard him speak and a lot of what he said was true, and a lot I did not agree with, but when it was all over I stood up and cheered with the rest. Such, of course, is the power of the member's oratory. But today, Mr. Speaker, in a sense, he has been like a lawyer, or as a lawyer on a case, and I know something about that, who has the trick of being able to put—and I do not say this word 'trick' unkindly, but the knack, perhaps, is the better word—of being able to put something to one side of his mind and concentrate on the thing which is in the forefront of his mind and let everything else go and follow that through to a conclusion as though there were no other.

Now having said that I have to say that the hon. member is quite right in many things which he said. We are in a serious situation, but the hon. member speaks, Mr. Speaker, as though the government of the Province was in vacuo, as though the government was a closed thing unto itself, and it looked at the finances of the Province and it looked at its books and it said, well, we will do this, and we will borrow that, and we will borrow \$200 million this year, and \$200 million next year without regard to the future of the Province or without regard to where the money was spent. But, Mr. Speaker, what is this money being borrowed for? Where has it gone? We have not eaten it. We have not hidden it under the floor boards in the House. Every bit of this money has gone to benefit in some way or other the people of this Province -

MR. SMALLWOOD: Hear, hear!

MR. WELLS: - who elected all of us and put us here.

MR. SMALLWOOD: Of course, of course! It is a shame to stop it.

MR. WELLS: Now let us review, if I may, briefly, the situation in the last twenty-five years, Mr. Speaker. We went into Canada, and the hon. member knows more about this than anybody, I suppose, living, we went into Canada a poor Province, a Province that had very little, a Province with almost non-existent public services, and the hon. member as much as anyone living brought public services with the aid

Mr. Wells:

of Canada to Newfoundland. And when he started, and I remember well when he started, Mr. Speaker, I was going to Memorial. We had nothing. There were about 380 people, I think, that year registered in all classes in all years at what that year became Memorial University, about 380 people. And we did not have much.

Mr. Wells.

people, And we did not have much, and we did not want much because we did not know really what we lacked. Some of us, older than I at that time, had been elsewhere and seen, I have no doubt, other parts of the world. But I suspect, Mr. Speaker, that what they saw elsewhere was not real to them, but what was real was Newfoundland, and Newfoundland did not have much, and I suppose most of us never thought that we ever would. And so the pressure and the demand for services did not really exist in 1950. It was not dreamt of, it had not begun to build up, and I suspect, Mr. Speaker, it did not begin to build up, as I see it, until sometime in the early 1960's, but then it accelerated and built and built and built throughout the 1960's and into the 1970's. And I think that the hon. member and his government, the previous government of the Province of Newfoundland was in a sense -

MR. SMALLWOOD: My administration.

MR. WELLS: I am sorry.

MR. SMALLWOOD: I never had a government.

MR. WELLS: No. Your administration, the hon. member's administration was as much a victim of that insatiable demand which Newfoundlanders developed for services. Now, I think, in also considering our financial situation - when I say 'our' I mean the situation of the Province, Mr. Speaker - we have to consider also the attitude of Canada toward this Province since the time of Confederation. I am sure all hon. members have views on this and they may differ, but my view, and I have expressed it privately to my friends and acquaintances in discussion but never publicly, is that Canada has looked upon Newfoundland in this fashion as one would look upon a man who was down to his chin in the salt water, let us say over the head of a wharf, and Canada reaches down and puts its hands underneath the collar of the man in the water, to use the analogy, and says, you will not drown, you have no fear of drowning, I will not let you slip under, but I will never lift you up out of the water and set you on dry land. And if you look at Canada's record with respect to this Province, Mr. Speaker, that is what you will see. There have been millions, upon millions, upon millions,

Mr. Wells.

upon billions of dollars come into this Province. No one would deny that. No one for a moment would be unappreciative. But what have these dollars been for? They have been for social welfare. They have been for capital programmes such as a share of hospital building. They have been for every conceivable purpose except to develop.

MR. NEARY: Some of them pretty foolish.

MR. WELLS: Some of it foolish, some of it wise.

But they have been for every conceivable purpose except to set this Province on its feet as a viable economic enterprise.

I remember friends saying to me years ago, when I said, what is the point of building power lines, for instance, to various parts of Newfoundland? What will that do? Is it not better to put a diesel generator in to serve 200 or 300 people? Is it not better to go that route? And I remember my friends saying to me, no, that is not what matters. If you put the infrastructure there, if you put the power there, if you put the roads there, if you put everything else that goes to make up modern life in the twentieth century, then industry will follow. But, Mr. Speaker, we are a living testimonial in Newfoundland to the fact that it did not work that way, and that is our tragedy. More than anything else, I think that is our tragedy that when we electrify the Province of Newfoundland - when I say 'we' I use it in the broad sense - when we put electricity throughout this Province, when Bay d'Espoir was developed, when the Trans Canada was built, when the trunk roads were built by the previous administration and by this administration in its term, did industry come? Did the mighty firms in Southern Ontario say, we are going to relocate a branch in Newfoundland, we are going to manufacture something in Newfoundland, to build something in Newfoundland?

MR. SMALLWOOD: Only selling!

MR. WELLS: Only selling, only selling and that, I think, is our tragedy. And so, Mr. Speaker, this is where I get the analogy of holding the Province steady in the water with its head above, able to breath, but never lifting it out on dry land. And what do I feel should have happened?

And what do I feel that would have meant that Confederation could mean so much more to us , perhaps with an overall lesser expenditure of money, and what I mean, Mr. Speaker, is that somehow, somewhere the Government of Canada should have found a way to encourage these great industrial and commercial firms of Canada to come in here into Newfoundland and to put something here, to build something here, to produce products here, which could be sold elsewhere in Canada and across the world. And yet

MR. WELLS:

what have we got here in Newfoundland and Labrador today, Mr. Speaker? We have the Price mill, which was there before Confederation, and the Bowater mill, which was there before Confederation, the Buchans mine, the Bell Island mine has closed. We have the mines in Labrador, which are new - when I say new I mean since Confederation. The mines on the Bale Verte Peninsula which are having -

MR. SMALLWOOD: They started before Confederation.

MR. WELLS: You are speaking of Labrador.

MR. SMALLWOOD: Yes, the mines.

MR. WELLS: Yes, yes, that is right.

MR. SMALLWOOD: They did not operate but they were there.

MR. WELLS: That is right. The idea was there but it came to fruition after Confederation. We have these few things that started since Confederation but they, of course, are primary resource developments -

MR. DOODY: Overseas investment.

MR. WELLS: - and overseas investment, money from outside Canada, as the minister says, has put them there. But when we look to our country, the country to which we belong and of which we are proud, yet, Mr. Speaker, we have to say that that country has not caused development of this Province which is part of that country.

SOME HON. MEMBERS: Hear! Hear!

MR. WELLS: And I am more sad, and I am sure the hon. member of Twillingate is more sad today, that this is inescapably so than anything else that I could say, or perhaps he could say, or perhaps any member of this House could say. So what has happened since Confederation, Mr. Speaker? That has not happened, that development which we wanted. I remember as a young student at the time when Confederation was going through - I was not old enough to vote, but I was a Confederate in my own mind, as was my family - and I remember saying to myself, this is what I presume it will mean: We will develop - I did not even know the terminology at that time - but young as I was, a student, I felt that this would come and it is a

MR. WELLS:

tragedy beyond measure, Mr. Speaker, that it has not come and that we are still accepting money from Ottawa, and God knows we need it, but that money is not being spent in ways which will develop.

Now, how could the Government of Canada have done this? The only way that occurs to me, Mr. Speaker, is to make it profitable for a company to forego revenues but to make it thereby profitable for a company to establish and manufacture in Newfoundland. Now how much revenue would have to be foregone I do not know. It may run into the hundreds of millions of dollars over the years, but the hundreds of millions of dollars are coming into Newfoundland anyway and they are not achieving the development which we need. So if tax concessions had to be given to a manufacturing firm to locate in Newfoundland, eventually, as you started adding to the ante, Mr. Speaker, eventually you would reach a point where the firm would make a greater profit organized and operating in Newfoundland than it would in Southern Ontario. But I sadly fear, Mr. Speaker, that this will not come about. I should imagine the hon. member for Twillingate when he led the administration in this Province tried something like this. I am sure he did. This government is trying and will continue to try to develop manufacturing and industry in Newfoundland and will endeavour to argue with the Federal Government in every fashion to get this kind of concession made, this kind of industry in here. I pray to God somebody will succeed, in my lifetime, I hope that somebody will succeed. Yet I am afraid with the centre of political power in Canada being so far outside of Newfoundland, I am afraid that it may not come to pass. And if it does not, Mr. Speaker, we will be here - not us, we may be retired or dead or gone - but other people representing the electorate of this Province will be here in this Province, in this legislature debating the self same thing and struggling with the self same financial problem.

After all, Mr. Speaker, what has happened to our people in twenty-five

MR. WELLS:

years? They have got a taste, just as so many people in so many countries of the world have got a taste, of services which they did not have before. You may call it, if you wish, high living. The hon. member for Twillingate has called it high living. How much is one really entitled to? That is a question everybody has to answer for himself or for herself. I have been involved, I remember over the years, in court cases arising out of the pollution of private water supplies, wells in communities when

MR. WELLS:

sewerage from septic tanks went into these and rotted them. So what came up was a bucket of filth that was unfit to drink and full of coliforms, or whatever these things are called, that would make people sick and did make people sick. So you say, can we afford water and sewerage systems? Can we indeed? I do not know. But, my God, Mr. Speaker, can we say to these people that we cannot afford them? I think no one would dispute that people have died in Newfoundland during our history - when I say our history, I mean our history up to twenty-five years ago, our pre-Confederation history - died because medical services were not available.

So when you talk about building new hospitals, when you talk about putting a doctor somewhere, when you talk about putting a clinic, Mr. Speaker, are you talking about something that they should not have? This government which has been accused, and I do not think it has been accused unkindly today, but it has been accused of spending more than this Province can afford. Yet there were pressures that emanated from far beyond this Province, there were pressures that began back in the 1950's that grew and expanded in the 1960's and that have culminated. If in fact they have culminated, in the 1970's, pressures which were there from the people who put us there. When we carried on a programme of expansion of hospitals, which we did and on which we have spent \$101 million in the past four years, I make no apology for it, Mr. Speaker. I think these programmes were needed.

I know that there are further programmes that are needed in hospital construction. I know that at this time we cannot afford it and we have had to defer it. I make no apology for that either, but I make no apology for saying that when the period of deferment, whether it be six months or a year or a year and a half or whatever, when the period of deferment is over, when we have caught up somewhat as I hope and anticipate and expect we will, then this projects will go ahead. I have no hesitation, Mr. Speaker, in associating myself with the statements of this government which say deferments are necessary. Of course they are necessary! We make no apology for that. We say it is necessary, but we do not say that this Province has to be

MR. WELLS:

cut to the bare, bitter bone, that deferments and retrenchment must go on and on and on to the extent where nothing is happening in this Province.

I think we have to be aware, Mr. Speaker, that we are on a road which is not of our making, which is perhaps not the making of the previous administration, but is the making of Confederation with Canada, the bringing in of monies, the raising of expectations, and not only that, but with precisely these same things which are happening all over the Western World. If you read headlines, Mr. Speaker, in London, in Toronto, in Montreal, in New York, in Washington, in Florida - I do not mind where you go - if you read headlines in other Canadian provinces and in other cities all around this country, in the countries of Europe, you come inexorably to the same conclusion, that people everywhere are demanding more and they are not prepared to put up with no.

I agree with the hon. member when he says we have to have the courage and we have to call upon Newfoundlanders to make sacrifices. Of course, that is what the Throne Speech said and that is what the Throne Speech meant and that is the attitude of this government. Yes, we will call upon the people of Newfoundland to make sacrifices. We will call a halt. We are calling a halt to the inordinate expenditures not of the last four or five years, but in an ascending ratio of the past especially fifteen years. But we do not intend, Mr. Speaker, to run this country right into the ground. We do not intend to run it into a pool of poverty. We do not intend to cut off the expenditure of public monies to the extent that there is nothing doing in Newfoundland, and I think we have a duty to the people not to do so.

The hon. the former Premier, the hon. the member for Twillingate (Mr. Smallwood) talks today like a banker, and that is his right. That is his right. He can add up figures. He can talk about the financial position. But he talks like a banker.

Mr. Wells:

I suggest, Mr. Speaker, that he knows, and I know, and the government knows, and we all know that you cannot approach the running of a Province such as Newfoundland purely as a banker approaches the running of a bank. Yet that is what he has urged today. Now he may be very quick to say, and I am sure he would, that he did not mean that it go to that extent. But as I heard him, listening to his excellent speech, Mr. Speaker, that is how it appeared to me, that we would have to be brutal in the coming months and the coming years, that we would have to cut back expenditures to the very bone.

MR. SMALLWOOD: \$700 million a year.

MR. WELLS: To \$700 million a year, Mr. Speaker, the hon. member says, To \$700 million a year would mean barely to keep going, barely, in fact not entirely I suspect, Mr. Minister of Finance, we would not then entirely be able to supply to our people here in this Province the services that they now have. I do not know what that means. That would mean closing schools or parts of schools. It would mean I suspect closing hospitals or parts of hospitals.

This question of health care, for example -

MR. MURPHY: Laying off part of the civil service.

MR. WELLS: Yes. As the minister says, closing down or laying off part of the civil service. This is what this might well mean. I learned in the four months of this past Summer something about the matter of health care and the expenses involved. And I think it is time to say that the hospital corporations throughout the period when I was in the Department of Health were coming to the provincial government and were saying, you are not giving us enough money to run on, that what we expected we could run on last year and what we put in our budget and what was given us in the budget of last Spring is not enough, and the costs have escalated to the point where we cannot run. That problem, Mr. Speaker, is still unresolved and the hospital corporations are staggering along from day to day, and I suspect, and the Minister of Finance and President of Treasury Board can probably comment on this better than I, but I suspect that

Mr. Wells:

they are not going to, with the best will in the world on our part, that they are not going to get all of the money that they need to provide the basic services in these institutions for the rest of this financial year.

What, Mr. Speaker, about the school boards? It is common knowledge of every person living in this Province that the school boards are staggering along day to day without enough money to operate properly. We can sit in an ivory tower and cut back. We can say there is no money. We can say to Memorial University, as we are saying all of the time, you cannot increase your budget, you cannot do the programmes that you want to do, but there is a limit to which we can cut back without destroying that institution as a university of which we are very proud in this Province. There is a limit to which we can cut back on the school boards without putting the school boards into bankruptcy. There is a limit to which we can cut back on the hospitals without putting the hospitals or the hospital corporation into bankruptcy. So it is one thing to say as a lawyer, arguing one side of the case, Mr. Speaker, it is one thing to say this is what must be done, and the idea is good, but it is another thing when you have the responsibility to balance not only financial matters but you have to balance also health matters, education matters, the public service and all the various arms and facets of government. And I have not said a word yet about the desperate need for an attempt on the part of the government of this Province to encourage development.

Now, Mr. Speaker, it is one of the themes that we hammer and continue to hammer and will continue to hammer that this Province will not survive unless development is actively encouraged and promoted, and more than that, Mr. Speaker, development must be successful. Now this is a time for frank speaking, and we look back over the last twenty-five years, and look back at some of the projects of the past, some of the projects which the administration of the hon. member for Twillingate (Mr. Smallwood) attempted.

Mr. Wells.

His administration attempted with the \$42 million or \$40 million cash, which they had when we became part of Canada, attempted to encourage development, and I feel sure attempted with a good heart and hoping that that development would succeed. Some of it succeeded but much of it failed, Mr. Speaker. That previous administration attempted on many fronts to develop, and in some cases succeeded, in some more cases failed. But I think one lesson that we all have to learn from that and that is not that it is a mistake to attempt to develop, but that in the particular economic and geographic circumstances of Newfoundland, it is harder to develop here than it is in Southern Ontario or in parts of Western Europe or the Eastern Seaboard of the United States.

We talk often, politicians, when we are putting the best foot forward, we talk about our strategic location. We talk about the wonderful advantages that Newfoundland has in world, in the trade routes, both by sea and by air. We talk about our resources. We talk about many things, and it is true they are there. But there is another side to the coin, Mr. Speaker. We are a long way from markets. We do not have the population here in this Island and Labrador to sustain an industry when it needs a local market to get going in the development of industries. So that we have disadvantages. We do not have local capital here of the type that is necessary to put a worthwhile manufacturing operation into effect. How long would we have waited for the Bowater mill in Corner Brook or the Price mill in Grand Falls or the iron mines in Labrador or the mine at Buchans or any other big industrial enterprise in this Province, how long would we have had to wait, Mr. Speaker, if we had waited for local capital? I say we would have waited forever! We would be waiting now, and we would have all been inshore fishermen and very little else. We would have been waiting now, and I suspect we would have been waiting twenty years from now. We have had to look to outside capital. We need outside capital, and you can talk all about Canadianism, and nationalism and all the rest but if we do not attract outside capital to this country, to this Province, Mr. Speaker, we are lost. We need that outside capital,

and as I say, one of the shames, one of the sadnesses of Confederation, is that that capital, that outside capital has not been Canadian capital. It has in a few instances. But that is one of the sadest sadest things. So what I say in answer to the member for Twillingate (Mr. Smallwood) - and I say quite freely that it was a speech worth debating that he made. It was the kind of debate that all of us would like to see in this House and to participate in, but what I say in answer to him, Mr. Speaker, is this: We cannot cut this Province beyond a certain level.

Now if harsh economic facts descend on this government or whatever government happens to be in power twenty years from now, or ten years from now, that is one thing. If the economic system of the Western world collapses, that is one thing. But as long as the system remains in operation, as it still does despite the oil prices emanating from the Middle East, despite inflation, despite all the things which are crippling the economy of the Western World, as long as it continues to function at all, we must make the best of bad bargain. We have to cut back and retrench, but not to the extent that we destroy what had been built by way of public services for the past twenty-five years. And I am proud to say, Mr. Speaker, that this government, and we may be castigated for spending a lot of money in the last four years, but this government has contributed significantly to the public services in this Province, and I take nothing away from the previous administration which did a great deal in its twenty-three years. But in four years we, too, have done a great deal, and I, for one, am proud of that. I, for one, do not want to see that wiped out. And so, Mr. Speaker, there is a limit to what this Province can cut back on unless the whole thing turns belly up. If the whole thing goes into bankruptcy, if Canada goes into bankruptcy, if the Western World goes into bankruptcy, if oil costs \$50 a barrel, and we cannot afford it, then if these things happen, Mr. Speaker, it is all gone anyway. But as long as

it continues to function, we must behave responsibly and we must not, I suggest, cut out and nullify the achievements that have been won.

MR. WELLS:

Now to come back to the immediate financial problem and the immediate financial problem that faced the government in this fiscal year. It has been suggested, I think unfairly, Mr. Speaker, that this government went about the country saying everything was rosy. This Province cut back and held the line with hospitals. It held the line with University. It held the line with school boards, and it did its best to hold the line with public bargaining all throughout the past year. It did not go around saying we are bankrupt, because we are not bankrupt, Mr. Speaker. It is not saying, the government is not saying now that we are bankrupt but it held the line by action. I do not know what other ministers said, but when I was Minister of Health and went around parts of this country talking to people, both privately - when I say privately as hospital corporations, and publicly in speeches. Right in the middle of the election I made it very clear that lines had to be drawn financially, very, very clear, and other ministers did the same thing.

When this government brought a budget down last Spring, I say, Mr. Speaker, that that budget was realistic bearing in mind what the government knew at the time. The government budgeted a certain amount for the increase in the cost of public service, and when I say the cost of the public service I do not mean just the civil servants in Confederation Building. I mean the broader public service. I mean the people who take their salary from the public Treasury. And that figure, Mr. Minister, was what? \$43 million.

MR. DOODY: Eighteen per cent, \$45 million.

MR. WELLS: \$45 million. The government had to be realistic in budgeting. Eighteen per cent was not realistic. The government knew that inflation was then running around 10 per cent in Canada, 10 per cent or 12 per cent. Was it unrealistic to budget 18 per cent? I do not think so. I think it would have been unrealistic and dangerous to budget more than 18 per cent. But what did we get into, Mr. Speaker?

MR. WELLS:

We got into a situation which I feel was not realistic on the part of the public service. I am not condemning them. Were I a public servant I would fight just as hard as they did. And a few years ago when I acted for public servants in the very same capacity in bargaining, I fought just as hard as they fought and for them. Our various roles in life compel us all at times to take sides. But the government cannot take sides with the people whom it is elected to serve. The government has to make judgments on the facts and the data which are available to it at the time. And the government reasoned that 18 per cent was a legitimate amount for which to budget because I hate to think what would have happened to the public service wage bill, Mr. Speaker, if we had budgeted 25 per cent or 30 per cent and yet the salary demands were coming in at the level of up to 100 per cent. So we budgeted, I think, legitimately and fairly. And what happened? Negotiations took place and I think it is fair to note that in these negotiations we fared no worse than any other Province of Canada. Is that not correct, Sir?

PREMIER MOORES: That is right.

MR. WELLS: We fared no worse. We fared better in many cases than other Provinces of Canada in dealing with specific groups of public employees. And yet when it was all over and the contracts were signed the wage bill for this year will be \$20 million-odd higher.

Now, I do not know what we should have done. It is all very well to say in hindsight we should not have paid so much. I do not know, Mr. Speaker. The public service of Newfoundland as of a very few years ago had a long way to catch up. I do not know if it is for me to cast the first stone and to say that these increases were inordinate, that the government went too far. I do not think it did because I think there are public servants in Newfoundland today who are earning salaries which do not put them in the luxury class, because God knows, Mr. Speaker, it is hard enough to live in this Province even on what we consider a fairly decent salary.

MR. WELLS:

A very few years ago \$4,000 or \$5,000 a year was a very decent salary, a living salary, and yet I suspect today that \$10,000 a year coming into a family is barely enough for a family of a husband, wife and two or three children, barely enough to struggle along on.

I remember reading a few months ago that \$8,000 was somewhere about more or less the poverty line in Canada and with price increases that we have experienced, I dare say \$8,000 a year is a realistic poverty line in Newfoundland, and I say that very, very consciously, Mr. Speaker, that a lot of people have no more than that to live on and in fact have even less.

So, did we do the wrong thing? Many citizens, many members, may think we did. I, for one, Mr. Speaker, do not think we did the wrong thing and I stand by what we did even though it put \$20 million on the current account cost of this Province for this year. The Minister of Finance in his budget refers to a \$30 million deficit. Part of that was, the greatest chunk, is that \$20 million. A further chunk was the equalization matter which I know took place. I do not think it took place, in fact I know it did not take place through any fault of the Government of Newfoundland. It was one of these things over which we had no control.

I know that Medicare is costing us more money. I remember an order having to go through, an order in council for an extra million and some odd dollars to Medicare which I was the Minister of Health. That was no fault of the Province of Newfoundland. That was caused by changes in the Ontario regulations regarding payments for Medicare. It is a complicated formula. I do not know if I could fully explain it now if I tried. Suffice it to say this, that when one of the larger provinces makes a change in their internal approach to what is paid under Medicare and how it is paid, this affects the ratio of the whole country and other people can get less.

Well, our Medicare Commission got a letter from Ottawa one day saying it was getting \$1,500,000, in round figures, less. We had to find that money, Mr. Speaker. What were we to do? Say, too bad,

MR. WELLS:

tough luck, find it where you can, go bankrupt, ask the bank for an overdraft? Not so, Mr. Speaker. We had to find it, and that was what happened all through the piece in this year. And the rate of galloping inflation was such in Canada this year, Mr. Speaker, that I suggest that no one could have foreseen accurately, even in April, March of this year, what it was going to be like in November. I do not think Mr. Trudeau saw it.

It is said we had an election coming up and we did not let out the whole story. Mr. Trudeau did not have an election coming up in March of this year, and yet he did not find it necessary to take the drastic action which he has taken until November or October, whatever it was, of this year because no one could foresee the extent. Everybody knew inflation was dangerous, everybody knew it held the seeds of destruction of the whole Western World, let alone Canada, everybody knew that but nobody knew the accelerating nature of this. Nobody knew how quickly it would catch up to a country or to a province. And it caught up not just to the Province of Newfoundland. It caught up to the Province of Quebec. It caught up to the Province of Ontario, New Brunswick, the western provinces, all perhaps except oil wealthy Alberta. It caught up to, and it caught up to countries and states far beyond our territory.

So should we be expected to have more grasp of the future, more insight into what is going to happen in economic terms than the leaders in Montreal and Toronto, Quebec City, Ottawa, British Columbia, New York State? No, Mr. Speaker. We did what we did with the reasonable expectation that it was going to be alright but world conditions and national conditions beyond our control have made it necessary for us to make the readjustment which we have made in this budget presented to this House.

Now, I want to say something too, Mr. Speaker, about the labour scene. More than just the public service vis-a-vis the government but about the labour scene generally in Newfoundland and the labour scene in Canada.

Mr. Wells:

If we look and read and hear about what has gone on, let us take two other countries for purposes of argument, for purposes of consideration of our own argument, let us look at England with which we are familiar, and let us look at the United States. England has been going in this last three or four years down the slippery staircase that the member for Twillingate (Mr. Smallwood) talked about, the staircase with the nice carpet at first and then the broken flagstones and then the abyss. Because the rate of inflation in England jumped to something of the order this year of 25 per cent, and if they do not control it they are gone. And where was the pound two days ago in terms of the dollars, Mr. Speaker? An unprecedented \$2 to the pound, a \$1.99 point something. And I remember when I was in school, and it is not that many years ago, it was \$5 to the pound, then it went to \$3 something, then \$3, then \$2.50, and for a long time it was around \$2.50 and \$2.35, and now it has gone down just below \$2. Why, Mr. Speaker?

I think I know why. I think it is obvious to the whole Western world why. It is because the people of England—and I am talking about the labour unions, and business as well, and government as well—but everybody has wanted too much out of the pot. It is a simple concept, Mr. Speaker, that an economy is only able to stand so much. You remember the British movie "I'm all right Jack", and that was the attitude. Let a bit of trouble occur in the plant the shop steward comes in, sees the men down tools, out, the wildcat strike, ball game over. We will go back when we get satisfaction, we will go back in two weeks time, we will go back in six months time. Who cares?

We are going to have what we want. And by the same token we have heard all about management in England, of expense, of waste, feather-bedding, the whole sort of British industrial life which has brought a very great and a very proud country almost to its knees. Why? Because its people kept demanding too much from the pot. It was not there to support the lifestyle and the way of life which everyone wanted.

Mr. Wells:

Now let us take a look at the United States, which I happen still to believe is the greatest and most powerful country on the face of this earth, and great not just in industrial might but great in the will to succeed. And with all of the faults and all of the criticisms that have been levelled at that country, that country is still to my mind a great country. What has the U.S. done in the last two years when it perceived what was happening, when it perceived with all its wealth and power that it was on the same route as the United Kingdom? What did they do? Individuals, because, you know, in the end, Mr. Speaker, this all comes back to individuals, we are all individuals in this country and on the face of this planet, Individuals said, we will take less out of the pot, we know that we have to sell in order to live, we know that we have to be competitive in order to live so we will take less and we will put the country back on its feet. So what has happened in the United States in contrast to what has happened in England? That country, Mr. Speaker, has begun to turn the corner, has begun to put its house in order, has begun to realize that you have to produce something and sell it at a competitive price and make a profit and keep your industry going and keep your country going, and with all its Watergates and all its crime and all its faults that country has perceived a basic fundamental indisputable fact. Now where does Canada go, Mr. Speaker? What route is Canada going to take?

I do not know, Mr. Speaker, if you have read the book by, I think it was Richard Rohmer wrote it called Exodus, It came out recently. I read it. And it outlined this dilemma and it talked about Canada, and it talked about England, and about the U.S., but chiefly it was about England. But where does Canada really stand? Have the citizens of Canada really grasped the problem which has faced them? And I do not think so, Mr. Speaker. I do not think this long and bitter postal strike, which fortunately now is over, I do not think that could have happened if the

MR. WELLS:

people of Canada really grasp the fundamental thing, that when you demand wages, especially from the public sector, that someone has to pay for it. It is the taxpayer who has to pay for it. If the taxpayer has to pay, the government must take that money in in revenue, and that means higher taxes. That means a greater drain on the productive capacity of the country. In other words, the piper has to be paid. This has been forgotten in Canada, and I suspect and I say, Mr. Speaker, it has been forgotten in Newfoundland. When I say that I say we are no worse than England, we are not worse than other Canadians. We have failed to learn a fundamental lesson which has been learned more quickly by our neighbors South of the border.

Unless we learn that here in Newfoundland, unless we can read the warning signs and act on them, we have had it, Mr. Speaker, because no industry, be it the pulp and paper industry, be it the mining industry, be it any other industry such as we have in Newfoundland, or the very government of this Province itself can survive if unrestricted demands on the public purse are made, and particularly unrestricted demands which make it more difficult for private business to survive in the meantime.

I think we are very much - the hon. member for Twillingate (Mr. Smallwood) says we are at a crossroad. Yes, we are, Mr. Speaker. We are at a crossroads in Canada. We are at a crossroads in Newfoundland. And I think we have failed often to understand the real nature of the problem, to understand that there are limitations on what we can take out of the pot.

Let me deal with one little aspect of something in Newfoundland which has often made me wonder. Let us consider unemployment insurance. The regulations as they now stand, Mr. Speaker, allow, as I understand it, for you to work four weeks and draw benefit for forty-eight.

SOME HON. MEMBER: Eight weeks.

MR. WELLS: Eight weeks, yes and draw benefits for forty-eight.

SOME HON. MEMBER: Forty-four.

MR. WELLS: Forty-four.

MR. F. ROWE: Not for the fishermen.

MR. WELLS: Not for the fishermen. Now, unemployment insurance is one

MR. WELLS:
of the best things ever to happen in Newfoundland. But is it a productive thing, Mr. Speaker? Am I not back to my old analogy of the man being lifted with head just above the water? You will stay afloat. You will not starve, my son, but you will not be lifted out on dry land. I say now that although this has been of inestimable benefit to Newfoundland, and is one of the finer pieces of social legislation in Canada, yet if this is going on all over Canada, if it is, and being abused as it is, then somewhere, Mr. Speaker, a halt will have to be called.

Unemployment insurance is for the genuine layoff, the person who wants to work but is out of a job and cannot get a job and then for a period should be supported by the fund. That is fine. That is right. That is good. Yet we all know that there are many workmen first in line to the supervisor or foreman saying, let me have the first layoff slip, old man. Is that not the truth? Would anybody deny that it is so? Would anybody deny that some of these programmes such as unemployment insurance, which are fine programmes, are being abused in Canada and abused in Newfoundland? You would have to be hiding your head in the sand, Mr. Speaker, not to know that this is so.

MR. MOORES: So is business and industry abused.

MR. WELLS: So is business and industry. You talk about inflation.

MR. NEARY: You have to set an example for these people.

MR. WELLS: Nobody sets examples. We are all the same. We are all the same. We all loved inflation, let us face it. Inflation meant for government the revenue shot up. Inflation meant it was easier to borrow because you paid back twenty-five years from now or twenty years from now or ten years from now in worthless dollars. Inflation made it grand to go and get a mortgage to buy a house because you knew, never mind the interest rate, you were going to pay back in worthless dollars. Everybody loved inflation and everybody is to blame and everybody must shoulder their part of the blame. We have got to realize this in Newfoundland.

But the labour movement - the professions have to realize it, business has to realize it, but so, Mr. Speaker, has the labour movement

MR. WELLS:

more important even than the others. The reason I say that is not a qualitative thing but sheer quantity because the number of people as part of the labour movement who is they do not realize this are sufficient of themselves to sink the Province. And business and the professions and government and the rest if they go along the same route will just help to sink her deeper. So, we have all got a responsibility and we have all got to realize, Mr. Speaker, that we must take steps to correct the situation.

Mr. Wells.

Now I would like to say a word about the federal guidelines because I believe they are fundamental to our position, fundamental to our budget, and I believe, Mr. Speaker, we are going to have to live with them longer than we think. Now I had the privilege of attending the Finance Ministers' meeting with our Minister of Finance in Ottawa last week. I saw the nucleus there of the anti-inflation staff of the programme which is being built up to do this job. Now I have to say at the outset that, as the Premier has said, this government agrees in principle with the steps that have been taken. Why? Mr. Speaker, it agrees that something was necessary. We would probably say, if we had the choice, that there should have been a complete wage and price freeze for a period of three months while details were worked out. This, of course, is what Mr. Stanfield advocated three years ago, but that was not to be. That was not to be. The federal government at last came up with a programme and it may not be in detail what we would wish, but in principle we have to follow it. It is necessary that something be done. What I think has happened here, Mr. Speaker, is that the Government of Canada, rather than putting a freeze on—maybe for political reasons or maybe not—but rather than putting a freeze on, has started to develop a system to control the economy of Canada. And I feel, and I fear, Mr. Speaker, that ten years from now, in some form or other, it may still be there. In fact twenty years from now it may still be there.

I doubt, Mr. Speaker, if we will ever go back to the completely free and uncontrolled situation, and I use that in a relative sense, which obtained even two or three months ago. Because I feel that when this great bureaucracy is set up and set in motion, set in operation, it may well be like the income tax in the First World War, when it was instituted as an emergency, temporary measure, and it may be with us always, Mr. Speaker. Inexorably, it seems, that the demands of the free market and the abuse of the free market system has meant that government is going to start and has had to start to institute controls of our economy. As someone who believes in the free enterprise system,

Mr. Wells.

believes in free collective bargaining and believes in the utmost freedom for the citizen, I reckon it a bad day, Mr. Speaker, that this had to happen and yet I recognize that something had to be done. It was almost a case in Canada and in the Western World of beggars riding their horses to death. We did not have sense enough to pause, as a people, and say, there is only so much in the pot. I can think of no better way to express it.

And so, Mr. Speaker, I think the message is there for the professions, for business, for government and for labour here in Newfoundland that there is a limit, and that if we do not impose limits on ourselves, then forces beyond us, more powerful than us and outside our control completely, will assert themselves and our faces will be pushed right down into the dirt as a Province and as a country, Mr. Speaker, whether we like it or not. So the real questions, I think, facing this House of Assembly, the real questions facing the government and all of us who are here as members, without narrow partisan considerations, the real questions are, how should we handle this situation which began years almost before some of us were born, that accelerated and developed in the last twenty-five years, that accelerated and developed not only in Canada and Newfoundland but in the Western World, that were accelerated again by the increase of oil prices in the OPEC countries and throughout the world. And we are now faced with them with a population that needs services and demands services without end. We are faced with all these things, and we are faced with no real solid industrial base. We have a base in the fishery, which is tenuous at best, that may be brought back with control of the Continental Shelf, but that, I think, Mr. Speaker, is going to take three, four, five years, if we are lucky, if we are lucky

MP. WELLS:
and wise, and if Canada manages that Continental Shelf, if it can get its hands on it for management purposes, if it manages it well and we are lucky, five years from now the fishery may be back somewhere where it was only a few years ago. That is something devoutly to be hoped and prayed for by every Canadian and every Newfoundlander, but especially every Newfoundlander.

Mining, where does mining stand? We hope and we intend to get more revenue from mining, not to destroy the mining companies, not to make their operation unviable, if there is such a word, but none the less to get more revenue from this nonrenewable resource which is going out of our Province and going elsewhere in the world, and is not being manufactured into anything here, is not even being manufactured into bars or ingots or steel slabs or whatever you have.

What else have we got? We have the forest industries and it seems to me, Mr. Speaker - and I think it is just as well for me to say it - it seems to me that our forest industries have almost got to the point insofar as large mills are concerned where there is not much, if any, possibility of future expansion. I do not know if the line - hmm? Well, I hope the hon. member is right but yet here we are in the position with that linerboard mill out there - and some day I hope to advert further to that in debate, but this is not the gist of the debate which we are involved in now - but this government took over that linerboard mill when it was out there nearly finished and had cost the government something under \$200 million, and was on the verge of going belly up, up the spout, nowhere, just a piece of equipment which would turn into rusting junk if it was left there, and this government had the agonizing decision of whether or not it would put more money in, take it over, try to run it or let the precious dollars provided by the people of this Province go up the spout completely and gone.

Now, many will say that we were wrong to take it over, and perhaps we were. And I remember so well the debate in this House of Assembly in which I for one spoke and I said, we can only go on trust and faith that that linerboard can be done something with, that it will

MP. WELLS:

not be too, too great a drain on the Province. We can only go on faith, that what the consultants tell us is so. And I for one voted for that. If it was now and I had the same information in front of me, I would vote for it again. Even today when we in government look at the linerboard mill and the amount that it is costing the Province of Newfoundland to keep going, which is substantial, even then one wonders, every day one wonders should the government close it down and be rid of it, or should it for the sake of the money that has been invested up to now and the jobs that are there, should we carry on and keep it open. Up to now, Mr. Speaker, this is exactly what we have done. There may be many who would criticize us. It is a matter of opinion. Yet this is the kind of nitty-gritty question that this government faces.

This government, as I said earlier, does not operate in a vacuum where it can close itself off and look at its books and add up columns of figures and say, we cannot afford to borrow \$200 million a year, we must bring the cost of current account down to \$700 million a year. We cannot do that, Mr. Speaker. We have to face in the life of this Province real situations, situations that daily we have to grapple with and hope to God that we are right or even half right or three-quarters right or 90 per cent right.

You take the Lower Churchill which is going to be, Gull Island, which is going to be debated in the House of Assembly this year, and the resolution is already on the Order Paper. Let us look at that, look at the magnitude of that. I will be forgiven, although there is going to be a debate on it, I will be forgiven, I hope, if in this budget debate I allude to it in a few sentences. This Province has got to make, and the government has made, the tremendous decision, the great leap in a sense into the dark, to do this thing, to build this thing, not just so that it is built and goes to the Province of Quebec but in the hope and the prayer and the wish that it is built and the electricity comes into the Province of Newfoundland to benefit this Province and this Province's energy needs.

MR. WELLS: Sure, if you closet yourself in a room and you sit down with the books of account and your bank balance and your bonds and all the things that go to make up the financial picture of a country or a province and you say, can we afford the Lower Churchill? Of course the answer may come that we cannot afford it if you look at it in the banker's light, Mr. Speaker. But can we afford for the future of this Province, for our children and their children, can we afford to say, no, we will not do this, we will go nuclear, we will go oil-fired furnaces, we will develop the small sites of electric power around Newfoundland - which will cost us just as much in the next twenty years - and we will forego Labrador.

What would happen then, Mr. Speaker? What would happen then? Some day Labrador hydro, the Lower Churchill would be developed. And do you know when it would be developed? When the Province of Quebec said, "Well, boys, we will buy it off you now. We have taken the load from James Bay, we have reached equilibrium, we are looking around, we want more power. If you like, and you can give it to us at the right price, you can develop Lower Churchill and we will pay you whatever for it." What would happen then, Mr. Speaker? Where would that part of this Province of Newfoundland and Labrador be then?

I feel, and I feel very deeply, that if this Province does not establish such a link with Labrador as the tunnel and the hydro power the transmission line will provide, I fear that ten, fifteen, twenty years from now that part of the Province which is Labrador may not be part of this Province.

SOME HON. MEMBERS: Hear! Hear!

MR. WELLS: And I think we have to go, I think we have to take steps -

SOME HON. MEMBERS: Hear! Hear!

MR. WELLS: - I think we have to take approaches and steps, Mr. Speaker, which transcend and go far beyond the balance sheet when we are thinking about these questions.

We have to be financially responsible, Mr. Speaker, and I suggest that we are being financially responsible, but financial responsibility cannot be interpreted in a way that means that we have to squeeze the life out of this Province and squeeze the hope out of this

MR. WELLS:

Province. Because if we have anything to live for it is for the development of things like the Lower Churchill, the development of the fishery and the development of something which I want to allude to later in my remarks, the development of something like off-shore oil.

These are the cards we have in our hands, Mr. Speaker. We have a responsibility to ourselves, to the people whom we represent, to our children and the people who come after us. We have a responsibility to behave and deal with this Province's funds and credit in a manner that will ensure the development of these things, not in a manner that will sacrifice them because we want to balance the budget today.

Now we must balance the budget, Mr. Speaker, but not in a way that would prohibit and prevent the development of what is vital to this Province if this Province is to survive. So I say, Mr. Speaker, we have many advantages, we have many things to hope for in Newfoundland and if handled right and handled wisely I feel, and I have confidence, that some of these things are going to pay up.

AN HON. MEMBER: Hear! Hear!

MR. WELLS: If I did not believe that I would not want to be a member of the House of Assembly, I would not want to be a member of the government, I would just stay downtown and forget it, and hope to retire somewhere else and get out of here and hope that my kids, my children, went somewhere else to live because there were greater opportunities. But that is not what I hope Mr. Speaker. I hope to live here, to be a part of this and my family after me and a great many more families and people throughout Newfoundland. And I hope the time will come when people elsewhere in Canada and elsewhere in the world will want to come into Newfoundland and live here and work here and be able to do so because there will be work enough to strengthen and build this Province.

SOME HON. MEMBERS: Hear! Hear!

MR. WELLS: And these are the things that we have to work toward, Mr. Speaker. So when you talk about services, if we turned off the tap, if we were completely and callously brutal, if we said, no, we are going to close down wings of hospitals, forget hospitals now or in the future,

forget education - we are not concerned with that - forget univeristy,
if you want to be a doctor go somewhere else and we do not care if you
come back or not. If we took that approach, Mr. Speaker, what would
the future of this Province be? I will tell you what it would be,
Mr. Speaker,

MR. WELLS: It would be, Mr. Speaker, it would be a winding down, it would be a downward spiral that would put us all in the end somewhere on social welfare, that is what would happen. So what we have to do at this time, in this difficult financial time which is not of our making, Mr. Speaker, and which would have applied whoever sat in these benches on this side of the House, what we have to do is proceed with care and caution. We have to be financially responsible. We have to restore what credit we may need with the financial community. We have to demonstrate to the financial community that we are responsible and careful. We have to do all these things. We have to make sure that our current account is in a position that enables us to borrow on capital account because it is unrealistic, Mr. Speaker, to say that we can cut out capital borrowing in this Province. It is unrealistic.

The construction industry I am told in Newfoundland has accounted in recent years for 46 per cent or 47 per cent, I believe, of the Gross National Product, is that not right?

MR. DODDY: Gross Provincial Product.

MR. WELLS: Gross Provincial Product. That is a fantastic figure, Mr. Speaker. If we had nothing else in our minds when considering the economy of this country, this Province, we could not in a year wind it down in such a way that 30 per cent or 35 per cent or 40 per cent of the Gross National Product of the Province would disappear overnight. Capital account expenditures are borrowed on the credit of the Province to build things now which, in the judgement of the people who are governing the country when we talk of public affairs and public matters, are needed. We cannot abrogate this responsibility, Mr. Speaker, it would be damning and dangerous and foolhardy to cut out these capital expenditures because they are going to be spent on things which are needed by the Province of Newfoundland. Mr. Speaker, I believe it is very close to six o'clock and I will with the concurrence of the House now adjourn this debate.

SOME HON. MEMBERS: Hear! Hear!

MR. SPEAKER: It being six o'clock I leave the Chair until eight this evening.

The House resumed at 8:00 p.m.

Mr. Speaker in the Chair.

MR. SPEAKER: Order, please! The hon. Minister without Portfolio adjourned the debate.

MR. R. WELLS: Thank you, Mr. Speaker. I had intended when I began my remarks, Mr. Speaker, as it is the first major debate of the session for most of us who are speaking and my first time speaking in the debate, I had intended before that to congratulate Your Honour on assuming the Chair of this hon. House. The heat of debate was such this afternoon, and the remarks of the hon. the member from Twillingate so fired me up that when I began my remarks I forgot what I had intended to do, to congratulate Your Honour and also the Deputy Speaker and other officers of the House. May I express the view, which I am sure I express on behalf of all of us, that Your Honour will enjoy, as I am sure Your Honour will, a distinguished tenure of office in that Chair which Your Honour so ably fills.

SOME HON. MEMBERS: Hear! Hear!

MR. WELLS: Mr. Speaker, I have really come very close to the end of my remarks.

MR. DOODY: No, no!

MR. WELLS: The House has been very indulgent with me, but I would like to make one or two points in conclusion and to draw together as it were the thread of my remarks. Basically they are these, Mr. Speaker, that we in Newfoundland, not just the government, not just the House, but the people of Newfoundland now find themselves and we find ourselves in a position that is perhaps 60, 70, 80 per cent the making of forces beyond our control, of international forces, of national forces, of Middle East forces in the price of oil, in financial forces emanating out of London, out of Paris, out of New York, out of Montreal. All these things have their impact on this Province and they are things beyond our control.

MR. NEARY: How about Indonesia?

MR. WELLS: Well, the hon. member interupts and injects a note as usual of levity in the debate. It is good for us,perhaps. But the point cannot be denied, Mr. Speaker, that these forces as always in Newfoundland's history have exercised greater control over what happens here than perhaps many of the things that we do ourselves. This is the point that I want to make, that although these external forces have their influence, although they have a great aspect of control over us, they do not take away from us the right of self determination, the right to work and work hard to build a better and more productive life for us in this Province. The government, Mr. Speaker, has found itself and found this Province in a certain position largely not of its making, not even of the previous government's making, but a combination of many things external and internal. The government, I feel, has acted responsibly and well. The government in its budget,which is a state of the financial picture of the Province at this moment,has done in my view and is doing what is necessary at this moment. We cannot look ahead too far into the future and say now what might be necessary in some far future time nor can we act as we might have acted ten years ago or twelve years ago had we been in the position. We have to look at it now, Mr. Speaker, in making financial decisions. But there is one thing I think we ought to bear in mind.

MR. WELLS: When we make a financial decision now it is not made in a vacuum. We have to answer, and we do not just have to answer to the people of this House and we do not just have to answer to the people of this Province. But our financial decisions are reflected in the financial community of the Western World and if we do the right thing, if this budget turns out as I expect and hope it will, to be the right thing to do at this time, it will be reflected not a year from now but even months from now in our position on the financial market. If we have done the right thing it will be reflected immediately in the way they look at the Province of Newfoundland. If we have to do other things four months from now, one year from now, they will be done. But the point is we have a yardstick to measure our progress by, a yardstick by which to measure our stand, and that yardstick is the regard and the weight that the financial community of the Western World gives to the Province of Newfoundland, and Mr. Speaker, it will not give any weight to the Province of Newfoundland if you get what I might describe as a going overboard in any direction. That will not help the Province. What the financial community is looking for is in the end exactly what the citizens are looking for and that is a balanced and reasoned approach to the problem.

I feel, Mr. Speaker, that the action that has been taken has suited the now, has suited this moment, has suited what is necessary to achieve financial stability without bringing the Province to its knees. If it does not work more will have to be done, but I think it is the proper and correct and essentially proper approach for this time. And it will be very few months before we begin to see, Mr. Speaker, whether that is so or not. And I sincerely hope for my part, and believe, that it is the right and proper thing.

Now we have two amendments to the motion, I have not got them in front of me, Mr. Speaker, but I believe that the original amendment was that a failure of the Province, a failure of the government to disclose to the Province - yes, regrets the failure of the government to disclose completely and fully the present financial situation of this Province and the government thereof. Well, Mr. Speaker, I listened to the Budget Speech, I have read it since and I am reasonably familiar, I believe,

MR. WELLS:

with the financial position of the Province and this budget, and Mr. Speaker, I cannot see how it could be more clearly expressed. The government has set out the financial position. The figures are there. They show the true position and the remedial action is set out also, and what the remedial action will achieve or is hoped to achieve.

Now, Mr. Speaker, I think that no government could do more than that. In fact I think that it is refreshing and good to see the financial position of the Province laid out with such total clarity and I am glad to have seen that done. So I know that there must be a vote first on the sub-amendment, but just addressing myself for the moment to that amendment, there is no way that I, as a member of this House and a member of this government, could support it, Mr. Speaker.

When we come to the second, which was a sub-amendment, an amendment of the amendment, "and deplores the inordinate swelling of the public debt of recent years and urges government to limit severely for the foreseeable future the amount by which the debt is increased."

"The inordinate swelling of the public debt of recent years," that swelling of the public debt, Mr. Speaker, has been to provide services which the people of this Province wanted and sorely needed in many cases. That money has not been thrown to the four winds. That money has gone into water and sewerage systems, into schools and hospitals, the things I spoke about this afternoon. I do not begrudge that, as a citizen I do not begrudge it, as a taxpayer I do not begrudge it, as a man who will pay his taxes in the future, and the interest on the money, and my children after me, I do not begrudge it. I think it had to be done and it was done and I think if we want something it has to be paid for, these capital works cannot be provided out of current account, so that the 'inordinate swelling of the public debt of recent years' has not been an inordinate swelling, Mr. Speaker, it has been high, it has been considerable, but it has been done so to provide needed services to the Province of Newfoundland. The government has taken the action to limit, perhaps not severely, there is a limit to the severity that is called for, but the government has imposed a programme of stringency which I think is satisfactory. Therefore, Mr. Speaker, I cannot support the sub-amendment either.

MP. WELLS:

Let us look for a moment to the future, Mr. Speaker. What have we got? Quite apart from the forces, as I say, which are outside this Province, we have the greatest natural resource of all, our people. Now, much has been said about Newfoundlanders by many people in recent years and recent months. Some of the criticisms are correct. I do not think we are as energetic perhaps as we were before there were so many social welfare benefits. I think it is time for certain segments of the communities to get out of bed in the morning and get to work, and I make no apology for saying that. But at the same time, Mr. Speaker, I do not think we have died as a people.

Whenever any challenge has been put on this small Province of Newfoundland - and before Confederation, this country of Newfoundland - Newfoundlanders responded. When the time came in the First World War and in the Second World War there was no need of conscription, Newfoundlanders rallied to the call. Newfoundlanders were not the least and the last and the most lackluster people in the British Empire to answer the call. Whenever it has been necessary, Your Honour, Newfoundlanders have risen to the occasion. I, for one, believe that with the message being brought home to them, the message of financial restraint, the message that government programmes cannot go ahead with the same speed, we may have grippers, we may have people who want to grab as much as they can from the pot, but at the same time, Mr. Speaker, I believe that the majority of the people of this Province will see common sense and will say, yes, a pause has to be instituted, sometimes we have to call a halt until we are ready to go again and we will stand with the government, stand with the legislature and do the necessary. If I did not have that hope and faith in this Province, I would not want to live in it, Mr. Speaker.

But I think that in all the great things which I believe will come in the future to the Province if we are prepared to work for them, I believe our people have it left in them to stand up and be counted, to make sacrifices, to go to work. Because if any one of us does not believe that there is really no place for us here. We might as well get out while the going is good. We might as well go

MR. WFLS:

somewhere else where we can find a place to believe in. But I for one think that we have the stuff in our people and that is where it really is, to stand up and do a day's work and be counted and perhaps to admit that things might have gone too far in recent years and that we might have asked for too much, we might have asked for more than we can afford, and that we might have asked too much from the public purse.

Mr. Speaker, I think we have limitless opportunity if we have the boldness, the courage, and the ability to work, to produce it. Nothing came to any country without work and effort on their behalf. I think I might have to modify that. It seems to me that the OPEC countries for their oil recently might have gotten dollars for very little effort but that is out of phase, that is out of kilter with the human experience everywhere in the world. In the case of most countries, if you look at the United States, if you look at England in its day, if you look at Germany and all the countries of Europe, if you look at the strides that have been made in Canada, they all come back to the entrepreneurship and the work of its people. The efforts of the people of a country count for more than the efforts of a government. A government can only direct and assist, prime the pump, take directions, exercise leadership, but the real - it is just the same as saying that generals win wars. Wars are won, sure, by generals leading and directing as the case may be, but wars are won by the fiber of a people and the fiber of the men they have in the field and the men back in the country who are supporting and maintaining them. So it is with a country, Mr. Speaker, so it is with a Province.

Many things are beyond our control but many things are within our control. I think we have two great frontiers left. I believe quite apart from the development of power in the Lower Churchill, quite apart from that, I believe in the concept of a tunnel under the Straits of Belle Isle connecting Labrador with the Island of Newfoundland. I believe that even if the Churchill River dried up, which is not likely, but even if it dried up and was not there and there was no power

MP. WELLS:

development in the Lower Churchill, I still believe that we should
press on with the tunnel underneath the Straits of Belle Isle. I
believe that much of our - you see, I believe our future is tied
in with the great developments possible in Labrador. I believe our

Mr. Wells:

future, and perhaps the greatest thing we have in our future is the offshore oil and gas which I believe to be off the Labrador Shelf. If you consider it for a moment, Mr. Speaker, if gas is found— and gas is now lighting the stoves and heating the houses in London, gas from the North Sea—we know that gas is there and we hope it is in commercial quantities off the Labrador Shelf. How is that gas going to benefit us?

I have no wish to stop any development of Quebec. But if the gas comes ashore and follows a pipeline or a route on into the Province of Quebec, what will that do for Newfoundland? It might give us some royalties. It might give us, and would give us some financial benefit. But I visualize the day, Mr. Speaker, when that natural gas cooks food here in St. John's, heats homes perhaps here in St. John's and down on the South Coast. If it can be done in England with gas from the North Sea, why can it not be done with gas from the Labrador Shelf? But without that tunnel, Mr. Speaker, how is it going to be got across to us, the market within the Province? I think that tunnel, and I must confess, when I heard the concept of a tunnel mentioned first which was about seventeen or eighteen years ago, I thought, pooh! what nonsense. We could never afford it. What an expense. It would never be justified. What a pie in the sky pipe dream. But, Mr. Speaker, great things are not done by sitting down minutely balancing books, Great things are done by having a vision and a concept which transcends the present but means something for the future. And I believe -

MR. NEARY: You do not remember the first time I mentioned it.

MR. WELLS: I do not know when the hon. member mentioned it. Funnily enough the first man who I heard mention it, mentioned it to me in conversation once back in about 1958 was E.D.C. Hiscock.

MR. NEARY: No, he was talking about a causeway not a tunnel.

MR. WELLS: No, he was talking about a tunnel when he talked to me.

MR. NEARY: No, he was talking about changing the Gulf Stream.

MR. WELLS: But any way, you know, the hon. member may have mentioned it. And whoever pooh-poohed it or not at the time, I think that is an idea whose time has come. And I believe if we are ever to be the Province that we hope for, that that tunnel must come, and it must not just be a tunnel that can carry electricity, I believe it must be a tunnel with a much broader concept, no pun intended, but a tunnel that some day would carry natural gas, that perhaps might carry crude oil, that would carry freight, that would carry passengers, a tunnel which would be a link between the two parts of this Province. And more than anything else I believe this is a concept that goes beyond the mere discovery of oil and gas, important though that be, I think this is something that should be a provincial project of the highest order and beyond that a national project.

And so, Mr. Speaker, these are the kinds of concepts we must work towards and develop. A government cannot do that alone, and this is where the role of the people of this Province comes in. The people of the Province have got to stand with the government, stand with the people in the House of Assembly, we have got to be united in a desire to bring this Province forward. How often do we pooh-pooh Newfoundland?

We say Newfoundland has nothing, we are only a rock, only stuck out there in the Atlantic. And it reminds me of the story where one Newfoundlander said this to a German, and the German said, "Well, that might be, but I wish we had it." Yes, Mr. Speaker, and I dare say that if certain people had had Newfoundland in the past they might have done more with it. But I think in this new age of advanced technology, of greater awareness of the outside world and of greater understanding of the opportunities which are presented, I think we too have a future if we would stand up and grasp hold of it.

So I believe, Mr. Speaker, the challenge is ours. I think it faces not only government, but the people. Poetry has been in order today, Mr. Speaker, and perhaps it is a refreshing change for the House of Assembly. We have not heard much of it, those of us who have been here in the past four years. So I would end up in answer to the Premier's quotation - the former Premier's quotations today. It is funny, you know,

AN HON. MEMBER: It is a slip -

MR. WELLS: It is a slip everybody makes. He became Premier, the hon. member for Twillingate (Mr. Smallwood) when I was just finishing Grade XI, and I suppose all these years afterwards it comes as the slip of the tongue, quite naturally.

AN HON. MEMBER: We all do it.

MR. WELLS: But, you know, what he quoted today, I will quote from Tennyson when he said "Tho' much it taken much abides, and tho' / We are not now that strength which in old days / Moved earth and heaven; that which we are, we are: / One equal tempers of heroic hearts / Made weak by time and fate, but strong in will / To strive, to seek to find and not to yield."

And that is the attitude, Mr. Speaker, that is demanded, not only of members of government, not only of members of the House, but of the people of Newfoundland.

SOME HON. MEMBERS: Hear, hear!

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

MR. ROBERTS: Mr. Speaker, let me begin by saying that I did not have the opportunity to hear all of what the hon. gentleman from Twillingate (Mr. Smallwood) said when he put his sub-amendment this afternoon, nor did I have the opportunity to hear all of what the hon. gentleman from Kilbride (Mr. Wells) said this afternoon and this evening. I heard most of it, and I think, as I believe the hon. gentleman said in his remarks, that this has been one of the better debates in this session of the House of Assembly. I may be misquoting the hon. gentleman from Kilbride (Mr. Wells) but I do not think I am misrepresenting him. I think he said essentially the same thing. I would concur. I think that is a very reasonable and a very straightforward statement and an entirely merited one. And I think the hon. gentleman from Kilbride (Mr. Wells) in particular spoke with eloquence, and I know he spoke from the heart. The hon. gentleman from Twillingate (Mr. Smallwood) spoke as always with eloquence and as always from his heart. I listened to most of what he had to say, some of it on the PA system and some of it not on the PA system, because, of course, the hon. gentleman from Twillingate (Mr. Smallwood) was in a good voice again this afternoon, and it was not necessary, being in my room, it was not necessary to turn on the speaker system.

I shall be relatively brief tonight, Mr. Speaker, because we are on the sub-amendment to the motion that Your Honour do leave the Chair. We still have, those of us who have not yet spoken, including the hon. gentleman from Kilbride (Mr. Wells), still have the opportunity to speak in the amendment debate, upon the amendment moved by my friend and colleague, the gentleman from Burgeo - Bay d'Espoir (Mr. Simmons) and, of course, then there is still the main motion itself, the budget motion moved by the Minister of Finance at least eight days ago, yesterday week passed. So there will be loads of opportunity for us to speak, and I hope all of us will, because I believe that, not just the budget debate

Mr. Roberts.

itself, but the matters to which the budget debate gives rise are of such importance, particularly at this time in the history of this Province, that it behooves us all to say what we believe, say what we think and speak as we find things.

I do feel that the hon. gentleman from Kilbride (Mr. Wells) this afternoon and this evening gave us an example of a classic debating skill, honed at Oxford, I have no doubt, and perhaps sharpened over the years in Her Majesty's law courts, appearing at the Bar, pleading in behalf of this cause or another cause, very eloquent, very articulate and very logical sounding, very rational sounding, most of it, though, completely beside the point of the sub-amendment. All of it very much to the point of the future of Newfoundland and very much to the kind of Province that we might wish to build here but much of it, certainly much of what I heard, very much beside the point of the amendment, the sub-amendment, but let us call it the amendment, because it is an amendment to the amendment. If Your Honour would like a citation from Beauchesne to that, Your Honour might wish to look at 202 (4) I believe it is which says, "A sub-amendment is an amendment to the amendment and shall be debated as such," or words roughly to that effect.

The sub-amendment, Your Honour - let me read it again - the sub-amendment is moved by the hon. gentleman from Twillingate (Mr. Smallwood) who together with his band of merry men is conspicuous by his absence this evening, he may be along a little later, reads, as I have it, that the following words be added to the amendment moved by the gentleman, my friend from Burgeo - Bay d'Espoir (Mr. Simmons), these words: "And deplores the inordinate swelling of the public debt of recent years and urges the government to limit severely for the foreseeable future the amount by which the debt is increased." What the hon. gentleman from Twillingate (Mr. Smallwood) is asking all of us in this House to do is to vote for those words, is to adopt those words as an expression of our opinion.

Mr. Speaker, let me say at the outset that I shall not vote for this amendment nor shall my colleagues here. We do not

often find ourselves in agreement with the sentiments expressed
by hon. gentlemen opposite, but for once we do. Indeed

MR. ROBERTS: listening to the hon. the gentleman from Kilbride (Mr. Wells) speaking today on behalf of his colleagues and the gentlemen who sit to Your Honour's left, I rather felt that they should join the Liberal side - those who feel that way - because the views which the hon. gentleman expressed, and I mean this to be a compliment and indeed I deem it to be one, were very much views which any man or woman who calls himself a Liberal would be proud to espouse.

Indeed, Mr. Speaker, as I listened this afternoon, for a while I thought that we had somehow gone through some sort of time machine and that we were back in 1969 and 1970 and 1971 in this House and a number of the members here tonight, Mr. Speaker, were here as members of that time and we will know whereof I speak when I say that it all sounded so very familiar. I do not know if the words were the same but certainly the thoughts were very much the same.

We had a group who were saying, do not borrow, that we cannot afford to borrow, that we are on the verge of bankruptcy, that we must cut her to the bone and even into the bone, not just cut out the fat but slash into the bone, cut her back. And if the hospitals - if we cannot afford to run the hospitals for twelve months well, Sir, close them in the eleventh month, come what may. These were the sentiments expressed by one group.

Another group were saying we believe in the future of this Province. We believe that we can achieve things. We believe that on this rock and on the great mass of Labrador we can develop a better way of life, but to do so we must borrow, we must pledge our credit. And borrowing, Sir, is neither the be-all nor the end-all, it is a means to an end. Borrowing is not something that should in itself frighten us. When we borrow all we are doing is spending today money which we are going to earn tomorrow for benefits which we can enjoy today and tomorrow.

And let me begin by stating my view, which I believe is shared by my colleagues, indeed I believe it will be shared by most hon. gentlemen in this House, and until I heard this afternoon's debate I would have thought it was shared by all hon. members, that in Newfoundland and Labrador we have no choice but to borrow and I shall go further and say

MR. ROBERTS:

that we have no choice but to borrow every cent that we prudently and safely can borrow. Any government that adopts any other financial policy, in my view, is not serving the people of this Province.

The hon. gentleman from Bonavista South, (Mr. Morgan) I hope will keep quiet. I shall be very grateful if he would hear me with the same attention to which we heard his colleague. If the hon. gentleman wishes to make a speech he shall have his opportunity. If he wishes to have a conversation with his seatmate, the gentleman from Green Bay (Mr. Peckford) - and the gentleman from Bonavista South has stentorian tones - perhaps he would do us all the kindness to step outside.

MR. MORGAN: Get on with your speech. Come on!

MR. SPEAKER: Order, please!

MR. ROBERTS: Mr. Speaker, the hon. gentleman is compounding his felony.

Now, Sir, as I was saying, this afternoon I thought we were back in 1969 and 1970 when they were going hot at it in the House. We had one group, their spokesman saying, "Do not borrow a nickle we are up against here boys. The bailiff will be in tomorrow or maybe the day after tomorrow." My friend from Burin-Placentia West sat in the House in those days. He recalls those debates. Hour after hour, motion after motion on bills, on the Budget Speech, on the Throne Speech on Private Member's motions, on the estimates, every conceivable way in which the subject could be raised. And then on the other side the other argument, the counter-argument and the champion at it with a mighty voice and forceful logic, that we must borrow, we have no choice but to borrow.

And it all sounded so familiar, Sir. It all sounded so familiar. And as my mind carried on along that line another familiarity, another familiar note struck me. It was the gentlemen to Mr. Speaker's right who were saying cut her to the bone. And it was the gentlemen to Mr. Speaker's left who were saying we must borrow. And I do not attempt to misrepresent the hon. the gentleman from Kilbride (Mr. Wells) - even when I do not agree with him I do not attempt to misrepresent him - I think that is a fair, succinct summation of much of the hon. gentleman's

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MR. ROBERTS:

remarks. Am I correct? We must borrow. I am not saying borrow
heedlessly or imprudently but that we must borrow. The fiscal

aside for the moment how much, or leave aside for what we spend it, but we must borrow. No government in its right mind could dream of a policy, even hon. gentlemen opposite, would not dream of a policy of not borrowing at all. The hon. gentleman from Harbour Main-Bell Island (Mr. Doody), the Minister of Finance, the present minister - he is about the fifth man to have held that portfolio in that administration - would not dream his wildest flights of fancy of a policy of no borrowing.

MR. DOODY: I was thinking what a wonderful job you would do for Household Finance.

MR. NEARY: Never borrow money needlessly.

MR. ROBERTS: Mr. Speaker, I sometimes think that the hon. gentleman may end up in Household Finance with 22 per cent and 24 per cent financing, given his peccadillos in the financial sense as Minister of Finance, the government's peccadillos.

Mr. Speaker, it all sounded so dreadfully familiar. Only one thing had changed.

MR. NEARY: The faces have changed.

MR. ROBERTS: The hon. gentleman from LaPoile (Mr. Neary) not only believes in stealing questions but he now is stealing remarks.

AN HON. MEMBER: Hear! Hear!

MR. ROBERTS: The hon. gentleman from LaPoile (Mr. Neary), Sir, I would rather he pick on me than on my new made colleagues, including the gentleman from Baie Verte-White Bay (Mr. Rideout). But, I say to the gentleman from LaPoile (Mr. Neary) he is welcome to steal a question. It is not a theft at law.

MR. NEARY: I used it three years ago.

MR. ROBERTS: The hon. gentleman used everything three years ago and two years ago and one year ago and this year and next year.

MR. NEARY: I am only started yet.

MR. MORGAN: Greenhorns. Greenhorns.

MR. ROBERTS: Mr. Speaker, I agree he is only started, Sir, and in the words of the scripture, "I give thanks for what we are about to

receive." Now, Sir -

MR. NEARY: Do not get nasty now.

MR. ROBERTS: - all that has changed - the hon. gentleman tempts me, Sir, but I must resist the path of temptation particularly insofar as it affects the gentleman from LaPoile (Mr. Neary).

Mr. Speaker, all that has changed, of course, are the faces. Indeed, Sir, they have not really changed. All that have changed is their places because the speech we heard this afternoon from the hon. member for Twillingate (Mr. Smallwood) has been made in this House at least 100 times before in my hearing, in my - this is what - my eleventh session as a member of this House. It has been made ninety-six times by the present member for St. John's West (Mr. Crosbie) who is not with us tonight unfortunately. He is about, I assume he is about Her Majesty's business in England. Anyway he is in England about somebody's business. It has been made four times by Mr. Clyde Wells who was then the member for the constituency of Humber East and is now in lucrative retirement, political retirement, at least, at the bar practicing in Corner Brook.

The speech which my colleague, I am sorry, my hon. friend opposite, the gentleman from Kilbride (Mr. Wells)-coming events casting their shadow. When the hon. gentleman has a run for the leadership of his party, if he does not win it, "While the light holds out to burn, / The vilest sinner may return." So, he he welcome to return.

MR. WELLS: Come and join us .

MR. ROBERTS: No, Sir, when I sit on that side it will not be to the hon. gentleman's right, it will the seat to the hon. gentleman's left. Now, Mr. Speaker -

SOME HON. MEMBERS: Oh, oh!

MR. ROBERTS: Now, Mr. Speaker -

MR. F. ROWE: You are just warming it up.

MR. ROBERTS: Now, Mr. Speaker, the hon. the Premier has returned well prepared to launch forth into the deep, as it were.

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please!

MP. ROBERTS: Mr. Speaker, this debate is taking a turn that I, for one, do not wish to see. Although if they want to start it, I will do my humble best to carry it on.

What I was saying, Sir, is that the speech which the gentleman from Kilbride (Mr. Wells) made this afternoon has been made in this House 100 times before as well, to my certain knowledge. It was made on ninety-nine of those occasions by the man who now sits for Twillingate (Mr. Smallwood) and the conversion by which Saul became Paul on the road up to Damascus, Saul of Tarsus became Paul the great Apostle. Going up, was it one day, to Damascus, some member of the House who is more intimately acquainted with that part of the Scriptures than I, or more recently acquainted than am I might be able to advise me. But, as I recall it Saul, the persecutor of the Jews, Saul of Tarsus was going up one day to Damascus and a great light came down from on high and shone upon him and stunned him - that is s-t-u-n-n-e-d, not the usual spelling of stund as we use that word in this House - stunned him and converted him into Paul.

AN HON. MEMBER: A pastor, a great man.

MP. ROBERTS: And the conversion - no, Paul was not a pastor. Paul was a great Apostle, and the Christian church as we know it today Sir, is a Pauline church because St. Paul's doctrines, of course, are the governing ones in very many of our Christian practices and beliefs. But, Sir, that is neither here nor there. The point is that the conversion which occurred on the hon. gentleman from Twillingate's (Mr. Smallwood) road from wherever he has been to wherever he is going can be compared only to the

MR. ROBERTS:

conversion which overcame Saul and made him into Paul. The hon. gentleman from Kilbride underwent a similar metamorphosis except I would not compare that to Saul becoming Paul or Paul becoming Saul but rather to an ugly slug becoming a beautiful butterfly, a blossoming forth into his true, true nature showing us the gorgeous colours of his raiment. And I shall get the Hansard, Sir, the hon. gentleman's remarks and I shall read them, not as fantasy, because I do not think they were meant as fantasy, but as a statement of his belief in the future of this Province. A little later I shall say a word or two about the other side of it, hoping that fantasy becomes reality. The hon. the Premier knows about fantasy. He has written five Throne Speeches that will go down with Aesop's Fables or Grimm's Fairy Tales.

Now, Mr. Speaker, now, Mr. Speaker, the Premier I hope will -
I would hope, Sir, the -

SOME HON. MEMBERS: Oh! Oh!

MR. SPEAKER: Order, please!

MR. ROBERTS: Mr. Speaker, I would hope the Premier will enter into the debate and launch himself forth on a storm tossed sea. Now, Mr. Speaker, -

MR. MORGAN: Get to it.

MR. ROBERTS: Mr. Speaker, the hon. gentleman from Bonavista South has yet to get his first lesson but he shall get many. His performance in the ministry to date has not done much for the ministry. It may have done much for the gentleman from Bonavista South.

Now, Mr. Speaker, let me come back - I have said that I believe that the speeches today were not new nor were the thoughts expressed. The words might have been new. I have not heard the gentleman from Kilbride speak before in quite this way. During all his term in the House he has made a number of speeches, most of them very good speeches, some of them have been trying to flay the hide off me. One or two of them have succeeded in flaying the hide off me. But I have never before heard him speak on the large issue before the Province, the great issue of the Province, the future of this Province. I think he spoke well. I think he spoke eloquently and I know he spoke from the

heart. I only hope he spoke for his colleagues. They gave him a good thump, as well they might, because he made a thumping good speech. And the hon. gentlemen on that side, Sir, need something to cheer them up because, of course, their record since this session opened has been one of dismal confession after abysmal confession after greater failure. Now, Mr. Speaker, -

AN HON. MEMBER: You were not here.

MR. ROBERTS: Of course I was not here. I was outside in my little abode that the sixteen of us share. It was my turn to use the Opposition office for an hour or so this afternoon. So, I -

SOME HON. MEMBERS: Oh, oh!

MR. ROBERTS: No, I was not - no, the hon. gentleman from LaPoile has not got adequate space, nor have the gentlemen who are from Twillingate and Carbonear and Bellevue.

AN HON. MEMBER: The gentleman from Port de Grave.

MR. ROBERTS: The gentleman from Port de Grave has not been here all week wherever he is at.

MR. DOODY: I am not complaining.

MR. ROBERTS: I am sorry, the hon. -

MR. DOODY: It is time to replace the padding on the cells.

MR. ROBERTS: I do not know. If the hon. gentleman wants a new ministerial office he will have to take that up with his colleague, the Minister of Public Works. Now, Sir, there are really only two issues raised by this sub-amendment, there are only two. There are two points made in it, but there are only two issues and they are not quite the same as the points made by the sub-amendment. The first is, shall we as a Province, as a government, as a people borrow in the future? And the second is, have we borrowed too much? Mr. Speaker, we can only afford so much. Whatever our fiscal capacity is we can only afford so much. That is what could be called a penetrating insight into the obvious. The hon. member for St. John's East, I hope, will participate in this debate. I suspect he will say, he would agree with that sentiment

that we can only borrow so much. He may or may not agree that we can borrow as much as we have been borrowing. But everybody in this House would agree that we could only afford to borrow so much. Even the gentlemen to my right, the hon. member for Twillingate and his cohort would agree with that sentiment. When they were over there they agreed with it. But, Sir, the question is how much can we afford to borrow. And one thing which has struck them in the years in which I have been involved in public affairs in this Province, they may not be all that numerous but they are as numerous as most hon. gentlemen here have had experience, has been that faint hearts have inevitably been wrong. I have no doubt that the fiscal advisors to the government, the present ones, Messrs. - the New York firm, A. Aimes - no, the -

PREMIER MOORES: Merrill Lynch.

MR. ROBERTS: Merrill Lynch, that is it, the New York firm. I am glad the Premier did not say

MR. ROBERTS: Burns Brothers and Denton, because whatever they do they are not fiscal agents.

PREMIER MOORES: Just Canadians.

MR. ROBERTS: I know they are Canadian. So are A.E. Ames, very Canadian. But Your Honour, I have no doubt the fiscal advisers each year when they get a drift of what is in the Budget Speech, or the forecast of the government's borrowing programme, inevitably get on the phone to the Minister of Finance, I hope they do not call him collect, and say, "You cannot afford to borrow that much. The market will not give it to you," and on and on and on, and you know we have been hearing it for years. And each year a government considers that and comes to the point of saying, "We must borrow that," and they go ahead and borrow it and the market always yields it up. It may yield it up at more than we wish to pay, but it certainly yields it up. One can always borrow money and if comes to worse, the hon. gentleman opposite can always get in touch with say Mr. Vic Catroni, is it in Montreal, who lends money at, according to the crime commission, at a very healthy rate of interest and recaptures it with a baseball bat to break one's kneecaps if it is not paid on time. Sir, the Premier -

MR. DOODY: I have only one kneecap to offer.

SOME HON. MEMBERS: Hear! Hear!

MR. SPEAKER: Order, please!

MR. ROBERTS: The hon. gentleman who has only one kneecap, Mr. Speaker, would be further ahead when it comes to offering collateral, if he hopes to raise any money, he would get a greater quantity by offering his one kneecap than his intelligence, the way he is speaking here tonight.

SOME HON. MEMBERS: Oh, oh!

MR. ROBERTS: The hon. the Premier, Sir, has obviously supped well.

MR. MOORES: Yes, but not at your expense.

MR. ROBERTS: No, Sir, I hope he has not supped at my expense either, speaking as a member of the public, I hope he has supped or slugged at his own expense.

SOME HON. MEMBERS: Oh, oh!

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

MR. MORGAN: Come on will you.

MR. ROWE: Do not get itchy now boys. Take it easy.

MR. ROBERTS: Mr. Speaker, hon. gentlemen opposite persist in interrupting me, I will not say it is their right, nor is it even their privilege, but it is their desire and their intention -

PREMIER MOORES: Take your hands out of your pocket.

MR. ROBERTS: - if the hon. gentleman opposite -

MR. NEARY: - an apology for it.

MR. ROBERTS: At least I have my hand in my own pocket, unlike some other hon. gentlemen. Now, Sir -

AN HON. MEMBER: Hear! Hear!

MR. ROBERTS: The hon. gentlemen opposite persist in interrupting me and if they wish to do it, they are out of order. Your Honour is allowing a reasonable degree of latitude, but let them not whine and complain when they get a flick or two back. I did not start this row, if they wish to carry it on I should be delighted to do so. The hon. gentleman from Kilbride is not starting a row. He is not lowering the debate in the House the way that the Premier is.

The Premier, Sir, has been off and had a good supper. It is obvious. And he is coming in now filled with joie de vivre and bon amie, and a number of other good spirits, and he is exhibiting them. Well, fine, but let him not then wrap his sanctimonious garment around them and say, "Oh well we are getting" If the Premier wants to start this sort of row, Mr. Speaker, let him be prepared to continue. If not let him either sit there as best he can quietly or let him go out and do what he can towards the lung cancer statistics by having another cigarette.

Now, Mr. Speaker, as I was saying before the most recent barrage and of course there is a concerted attempt on the other side to - I suppose I should be flattered- to try to get at me. The gentleman from Grand Falls is not with us tonight. He is one of the chief exponents of this school of thought. We do not miss him right now, but he will be back.

MR. ROBERTS: But now, Mr. Speaker -

AN HON. MEMBER: Sounds like you are getting paranoid.

MR. ROWE: What is wrong?

MR. SPEAKER: Order, please!

MR. ROWE: It would not be a bad idea to have some order.

MR. ROBERTS: Are we off again, Mr. Speaker, as it were? Thank you.

Now, as I was saying before all the hon. gentlemen opposite -

AN HON. MEMBER: You were foolish enough to listen to them, if you would shut up -

MR. ROBERTS: As I was saying to the hon. gentlemen opposite, who did not have the courtesy, or who do not have the courtesy to hear us with the same courtesy with which we heard the hon. gentleman from Kilbride, but if they want to start this sort of thing they will not be alone in finishing it, but it be upon their heads and I say that particularly, Sir, to the gentleman from Bonavista South. We could understand it before when he was trying to get himself into the Cabinet, but now he has achieved that eminence and let him try to act with a little dignity and a little deportment and if he does not -

MR. MORGAN: Get on with it.

MR. SPEAKER: Order, please!

MR. ROBERTS: - if he insists, Mr. Speaker, on interrupting and heckling, let him, but let him not then whine and snivel and complain when he gets a flick or two back. I am trying, and I am saying what I believe to be, Sir, some very important things. The hon. gentleman may not agree with them. Fine. Then let him speak. Let him speak. And in the meantime let him either be quiet or let him go and try to clear off some snow and serve something useful to justify his existence as a member of the administration.

MR. MORGAN: There is a lot to be cleared away, but it is not snow over there.

MR. SPEAKER: Order, please!

MR. ROWE: Is that quite parliamentary, Mr. Speaker?

MR. SPEAKER: Order, please!

MR. ROBERTS: The hon. gentleman opposite, Mr. Speaker, persist in doing this. Well, fine, I am not going to be scared by the likes of the hon. gentleman. I have come up against infinitely more intelligent and more bigger stuff than the hon. gentleman for Bonavista South (Mr. Morgan).

MR. NEARY: Mr. Speaker, to a point of order.

Mr. Speaker, we are debating a sub-amendment, Sir, that has to do with the inordinate swelling of the borrowing of the government, and I would like to know, Your Honour, for the last five minutes what the remarks of the Leader of the Opposition have to do with that sub-amendment, or the amendment for that matter. I would submit, Your Honour, the whole tenor of the hon. Leader of the Opposition's remarks for the last five minutes, Sir, have been completely out of order, and I would like for Your Honour to ask, with all due respect, the Leader of the Opposition to be a little more relevant to the matter under debate, Sir.

MR. ROBERTS: Mr. Speaker, if I may say a word to that point of order.

I may have strayed somewhat from the path of relevancy giving into irresistible temptation, and I am deeply grateful to the gentleman for LaPoile (Mr. Neary), who has established new marks of relevancy in this House in the last few years, I am deeply grateful for his advice and his guidance and his assistance, and I shall humbly and with gratitude, indeed humility, if not servility, take his advice, Sir, and I hope that he, too, will observe the rule of silence, which I must say he has been observing. It may be a strain for him, but he is observing.

MR. SPEAKER: Order, please!

A point of order has been brought up, and in my opinion the hon. Leader of the Opposition is not out of order on the grounds of relevancy. And now that I have interrupted the flow of thought, I

would go on to say that when there are interruptions from one side to the other, then certainly those who interrupt must expect that what they say in interruption is going to be commented upon, perhaps retorted to and perhaps retorted to in a way which they may not enjoy. But there is an old dictum, and I think it is in Beauchesne somewhere, that hon. gentleman cannot have their cake and eat it too, but I do not have the exact citation.

SOME HON. MEMBERS: Hear, hear!

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

MR. ROBERTS: Mr. Speaker, I thank you for your ruling.

I would not ask Your Honour for a citation but perhaps the clerk could serve us a generous piece of that cake to which Your Honour referred. And hon. gentlemen opposite, of course, would have humble pie instead of cake, Sir. But, Mr. Speaker, I think your ruling was one of the best I have heard. I am not casting aspersions upon other rulings. But we have heard a lot of chatter in this session and outside about the need to maintain the level of decorum in the House, and I think that is a very good point, and I have certainly not been always a model or paragon, a paragon of virtue. I have erred and sinned and been disciplined, therefore, as have other hon. members. But I would say to hon. gentlemen that the quickest way to lower the debate, to lower the level of debate in this House, is to have the sort of interruptions which we see. And we on this side, Sir, are disciplining ourselves, not always completely successful, sometimes we are provoked unmercifully by the ridiculous statements of the ministers opposite, but we are doing our best, and we are getting better. And I would think that anybody who is concerned with the House would do better to try to heed that dictum and the hon. gentleman from Kilbride (Mr. Wells) has set up an eminent level as has the hon. gentleman from Twillingate (Mr. Smallwood) who to my knowledge in all the years I have watched him in this House has rarely, if ever, heckled. And Heavens knows that he has been provoked one way or another many, many times. And, you know, if hon. gentlemen opposite wish to interrupt, as Your Honour says, they will get - my language might not be

quite as elegant as the citations in Beauchesne - they will get the flick back and let them not complain if they have been flucked when their flick hits them, Sir.

PREMIER MOORES: We beg to differ.

MR. ROBERTS: Now, Mr. Speaker - the Premier may beg whatever he wants, Sir, but it will not get him any good here.

Now, Sir, let me come back. The point I was making before this chain of harassing from the other side was that I believe that the Government of this Province must borrow and should borrow and will borrow. But the fact that the public debt has gone up so much in the last few years does not particularly bother me, it does not particularly cause me to lose any sleep, and I suggest that it does not cause anybody to lose any sleep with the exception of the hon. gentleman from Twillingate (Mr. Smallwood). He

MR. ROBERTS:

seems to be inordinately concerned with the size of the public debt. And I give him credit. I have no doubt his concern is genuine. I have no doubt he is concerned and that he is worried and that the figures which he has worked out with such care and such attention are matters that cause him grave concern. But I find this a surpassing and a surprising change from the attitude which the gentleman from Twillingate (Mr. Smallwood) advanced for so many years when he was Premier of this Province. I think he was right in what he said as Premier and I think he is wrong in what he says today as the leader of the Liberal Reform Party.

I might add the other hon. gentleman who sat down here and who in 1969 and in 1970 and again in 1971 spoke with such eloquence against borrowing, spoke with such eloquence in favour of cutting her to the bone also led a Liberal Reform Party, and also had four colleagues or three colleagues, a group of four in those halcyon days, four out of forty-two were the Liberal Reform Party. Today they are four out of fifty-one.

Now, Sir, that quite simply in my view is ground enough to reject the entire sub-amendment, the entire amendment to the amendment. I do not think the public debt has swollen inordinately, and I speak of its total. I forget the figures the hon. gentleman from Twillingate (Mr. Smallwood) brought out. But, what is it, it has gone up \$800 million or \$900 million in four years.

AN HON. MEMBER: \$900 millions.

MR. ROBERTS: \$900 millions in four years. Does that include the purchase of the CFLCo shares?

MR. MOORES: It includes everything but breakfast.

MR. ROBERTS: The Premier feels it includes everything except breakfast?

MR. MOORES: Just about as far as I am concerned.

MR. ROBERTS: I mean I did not hear the hon. gentleman's breakdown of it but it may well include the Upper Churchill shares or it may not.

MR. MOORES: Direct and indirect.

MR. ROBERTS: Direct and indirect. Well, that is fair enough, Sir.

MR. ROBERTS:

Let us say it has gone up \$900 million. That does not particularly bother me, and I do not propose now to go into an analysis of why it has gone up. Let hon. gentlemen opposite talk about that if they wish. I suppose \$200 million of it has come from the linerboard mill - or \$250 million or \$300 million, but at least \$200 million that we know about. I suppose - what was the Upper Churchill purchase, \$160 million from the BNS? It is going to take us forty-five years, I am told, to pay it off using the income therefrom to retire the debt, service it and retire the principal. But, you know, it has gone up very rapidly.

I have not bothered working out - it would have been interesting exercise, I guess - what percentage of our provincial budget goes into the debt servicing or even more to the point, what percentage each year of our total expenditure is borrowed and what per cent is generated from the various revenue sources we have, non-borrowing. I would doubt rather if it has gone up very much. I would doubt if the proportion of our debt that has gone up - I can remember when the budget, I think the first budget with which I was involved was what? About, drawing about \$500 million gross total for an expenditure? There was about \$100 million or \$120 million borrowed then.

Say a fourth - say out of every dollar we spent as a Province for everything from running the House of Assembly, head one - or head two, I am sorry - to building roads and whatever one spent money on as the government, about twenty-five cents out of every dollar came from the bond markets either in New York or in Toronto markets or from the CPP, the Pension Plan funds or from other loans. What is it today? It is about twenty or twenty-five per cent today. You know, there are - was it Lord Randolph Churchill who said that there are lies, damn lies and statistics.

You know, one can play with the figures and make them prove almost anything one wants. But that is not the burden of my argument, it is an aside. I am not particularly concerned because I do not feel that the debt, the proportion of our expenditure, has gotten out of hand. I do not think our debt is out of hand. It may be getting high

MR. ROBERTS:

but it has always been high. The only time it was not high was in the years immediately before 1949. The reason the debt was not high then, we had no debt.

MR. NOODY: We had a surplus.

MR. ROBERTS: Of course, that is just it. The hon. gentleman who then, I believe, was a Confederate, to his eternal credit, as was the Premier as was really anybody who had any - I do not discount the patriotism of those who opposed Confederation - but anybody who really looked at it with what I consider to be intelligence and dedication had to be a Confederate. But, we had nothing to show. We had, at Confederation we had what? We had one paved, two paved roads in the Province. You could get in your car and drive to Carbonear on a paved road that had been done in 1947 and 1948, and you could get in your car at Grand Falls and drive up to Botwood on that reddish pavement that I believe the AND company had paid to have laid, between Grand Falls down into Botwood so they could get back and forth in connection with their operations. As I recall that was

Mr. Roberts:

the only pavement in this Province. Our other public services were comparable. The hospitals - I mean, why go through them. Others in the House are more expert at that than am I. But in public service after public service we had none or the ones we had were generally of such low standard that we might as well have had none. So if we were going to get them we had to borrow.

But my quarrel with the government, Sir, is not the inordinate swelling of the debt because I do not think it has been inordinate. My quarrel rather is with the way in which they have spent that money. And here I think the government record has been both shoddy and shabby, and I think they have - well to use a non-confidence amendment that I believe my friend the then Member for Labrador North (Mr. Mel Woodward) moved, that the government have not done those things which they have ought to have done and they have done those things that they ought not to have done. And I, Mr. Speaker, I feel the record of this government with respect to the debt management has been very, very bad.

I could talk about the Lower Churchill - we are to have a debate on it, and well we might - because I think, the government's record, the way in which this government have handled the Lower Churchill Development is a shocking indictment, it is incompetence writ on a high scale. And we could talk about the budget itself, I will have other opportunities, but my friend from Burgeo-Bay d'Espoir (Mr. Simmons) made a crackerjack of a speech, in which he made it quite clear and documented the way in which this government have presented what I consider to be a shoddy and a shabby budget, less than a full and a frank statement of the financial affairs of this government and this Province, and of course that is the whole burden of the amendment in respect of which this sub-amendment has been made. But I will have the opportunity to speak on that, Mr. Speaker, and I shall, in speaking I shall advance some arguments at greater length because I think this government have not disclosed fully and frankly the financial affairs of this Province or the government thereof. And

Mr. Roberts:

with all deference to the hon. gentleman from Kilbride (Mr. Wells), his rhetoric has not served instead of argument, his arguments have not served instead of facts. He has not made a convincing case at all in respect of the amendment. Indeed there has not been a government speaker on the amendment, because my colleague moved the amendment on Friday and concluded his remarks yesterday and then the hon. gentleman from Twillingate (Mr. Smallwood) gained the floor and spoke, and of course introduced his sub-amendment. But we will have an opportunity I hope to debate the amendment itself whether or not it has been amended by this sub-amendment, and when we do I shall have a few hundred thousand well chosen words to say with respect to what I consider to be the quite appalling behaviour of this government with respect to our financial affairs.

But, Sir, doing without borrowing - and that is the gist of what this motion if adopted would say - doing without borrowing, Sir, is unthinkable. And I was shocked when I heard the member from Twillingate (Mr. Smallwood) with his vast experience, the man who, as he himself has told us many, many, many, many, many times wrote twenty-three Budget Speeches. Was it twenty-three or twenty-two or twenty-four? But wrote -

MR. SIMMONS: He says forty-six opening and closing.

MR. ROBERTS: Well - no that is Throne Speeches, But he wrote at least twenty-three Budget Speeches, he has told us. And I have heard him write a number when I was a member of his staff, He would ask Miss Duff, a lady with whom Your Honour is associated - a very fine lady and one of the best stenographers ever to work in the public service - and Miss Duff would come in with her notebook and the hon. gentleman from Twillingate (Mr. Smallwood), who was then the Premier, would dictate passages, you know, half an hour's worth at a time of the Budget Speech, And the document would be put together and the public service would be scurrying for weeks getting the facts and the data and the information that went into it. Then that would all be worked into a Budget Speech and in due course the late Mr. Val Earle, politically late Mr. Val Earle told us, you know, would be given to the Minister of

Mr. Roberts:

Finance and he would get up and read it. I think Mr. Earle told us that he had written six words of the Budget Speech which he delivered as Minister of Finance, For his sake I hope he wrote no more of the Budget Speech he delivered last March 12. I do not know that, but for his sake I would hope so.

MR. DOODY: Do not be nasty.

MR. ROBERTS: I am being perfectly polite. If I were being nasty with respect to the hon. gentleman from Fortune (Mr. Earle) as he then was I would talk about the way in which he lost and the noble spirit in which he took the verdict of the people, the electorate, the really noble spirit.

Now, Mr. Speaker, I do not want to talk about the late gentleman from Fortune Bay (Mr. Earle) as he then was. I have no personal quarrel with him and my political quarrel ended on the night of September 16 when the present Member for Fortune-Hermitate (Mr. J. Winsor) romped home with about two to one, two to one in the votes, despite Sandy Hynes in Harbour Breton.

Now, Mr. Speaker, doing

MR. ROBERTS: without borrowing would be to do without hospitals or to do without schools or to do without roads or to do without all of the items which are in the capital account. It is just unthinkable. And I say to those who say that we should cut out our borrowing that is it not enough for them to stand and say, let us cut the borrowing. That is a tenable position, it is a position of intellectual honesty, but they must go further, they must say where they would cut. And if we are not going to have any borrowing, if we are not going to have say \$200 million or \$150 million on capital account this year, and I would think the irreducible minimum is about \$150 million, when the Minister of Finance comes to draft up the budget for the 1975-1976 fiscal year, the year which begins April 1 next, he will find that about \$150 million is irrevocably committed as of this point. It may be more than that. But, you know -

PREMIER MOORES: It is close to \$250 million.

MR. ROBERTS: You know, I sympathize with the Premier. And what he is saying now is quite true. It is only too bad that his colleague from St. John's West (Mr. Crosbie) when his colleague was over here lacing the daylights out of the then Premier for bringing in what the gentleman from St. John's West (Mr. Crosbie) called, when he was sitting here, deficit budgets.

AN HON. MEMBER: A double play.

MR. ROBERTS: Yes, Tinker to Evers to Chance.

But the point is that most of the budget, most of the capital account budget is committed and has been committed for a while. The \$10 million that goes to the school boards is spent. They have pledged it at the banks. Indeed their problem now is that almost all of that \$10 million is going to pay for past construction unless it is increased from \$10 million to \$12 million or \$15 million there will be little if any new construction. Dr. Tracey, the Roman Catholic Secretary, has said that publicly many times and so has Mr. Hatcher, the Integrated Secretary, and I am sure that Pastor Shaw of the Pentecostal Assemblies, the Secretary of their Educational Committee

MR. ROBERTS:

has said much the same thing time and time again. That portion of the budget which goes to service our capital debt is committed by law. We do not even vote it. It is not even voted in the House. The first section of the estimates, page 3, in this document here is not even voted. If Your Honour, when Your Honour is in the Chair in Committee, you do not even - or maybe there are one or two items to be voted here, but I do not think so. I think almost everything is statutory. It amounts to \$76 million. So what is that? Ten per cent of the total budget is not even voted. That just goes to pay debenture debt and interest and one thing and another on our public debt. So, you know, that amount has to be spent.

My quarrel though is not with borrowing. My quarrel is with the way in which the government have spent it. And I think that the debate should focus instead on that point, it should say where we should cut. If hon. gentleman wish to cut it, let them say where we should cut. Would they not build any schools next year? Maybe. Would they not build any new roads? Would they not have any water and sewer systems? Would we have no housing programmes? I will let the government make the speech, the speech they should be making. The hon. gentleman from Kilbride (Mr. Wells) has already said many of the same things. For once, Sir, the government and the Opposition are in agreement on the fiscal policy which this Province should follow. We may quarrel, and we do, over the way in which they have spent it, and the heads in respect of which they spent it. But, Sir, this amendment is wrongly based when it talks of cutting capital account expenditure.

Mr. Speaker, when we come to look at the question of expenditure, the government have not done the job. They just have not. One can embroider that statement 150 ways at once, but the fact remains that they have not done the job. We used to hear a great deal from this government, before they came into office, and for a while after their came into office about their five year financial plans. There may or may not be five year plans, I do not know. All I know is

Mr. Roberts.

that no five year plan has ever been made public. And I venture to go so far as to say no five year plan has ever been agreed upon by the Cabinet, by the group of seventeen or eighteen or nineteen men sitting around the Cabinet table down on the eighth floor below here. There is no more planning now than there was in the days for which the hon. gentlemen opposite so soundly and so unfairly condemned the then administration led by the hon. gentleman from Twillingate, (Mr. Smallwood). There is no forecasting. The Treasury Board, that swollen bureaucracy of high-priced help which seems to have arrogated unto itself the privilege of being the government of this Province, unelected, answering to nobody, the Treasury Board,

MR. ROBERTS:

I would say, Sir, if they are responsible for the mess which the financial affairs of this Province are in, they should all be dismissed. That way we would save \$500,000 a year, and not only that but we would take a giant step towards some financial sanity because I do not want to blame the Minister of Finance for this mess nor even this predecessor. I am not attacking his officials but I am saying, if I were the minister I would think seriously about perhaps improving the caliber of the advice he is getting because if the advice he is getting is reflected in the documents and the positions they have taken publicly, they are getting very bad advice indeed.

But, Sir, we have no five year plans. We have no three year plans. We have no one year plans. The most the administration had, Sir, was a twenty-one day plan to get them by the election. They had I think a twenty-one day plan. That is the extent of their financial planning. Expenditures are hog-wild and out of control. All of the great paraphernalia-and I suppose the gentleman from Conception Bay South (Mr. Nolan) and I have to take our share of the responsibility for beginning to develop the system which is now allegedly controlling expenditures. But we had only a rudimentary and I believe an effective system. But all of the committees and sub-committees and cabinet committees and priorities and planning and thises and thats and things which have resulted in the government of this Province grinding to a halt have not resulted in any control of expenditure or any forecasting with any accuracy of the expenditures we are incurring. That, Sir, can be the only defense which the Minister of Finance can make to the incredibly inept performance which his predecessor and he have put on with respect to the financial affairs of this Province.

Now, Sir, the government have not provided us - we, the people of this Province-with a lead, with a view of the future. The gentleman from Kilbride was eloquent, eloquent but empty, pious generalities, platitudes, well-meaning, well-meant, well-sounding, but, Sir, not well-founded. Where is the lead? You can look through the six Throne Speeches which this administration have delivered; you can look through the Premier's speeches, and every now and then, Sir,

I take them out and I read them through and they are marvellous, just marvellous, all the things which were going to be done and which were going to be done and which were going to be done. Now, they have had four years, Sir, and none of them has yet been done.

Let me just read. Ah, this is Wednesday, March 1, 1972 Throne Speech. A marvellous document, won them an election.

MR. F.B. ROWE: You only have two or three minutes left.

MR. ROBERTS: I have ninety minutes to speak. If you are going to be House leader, you got to learn that the Premier and I get ninety minutes to unburden our minds, if that is the right phrase.

Mr. Speaker, as I was saying, the Throne Speech with which we were greeted on Wednesday, March 1st, 1972, the one that Mr. William Saunders, a gentleman of estimable virtue was so intimately connected with, had in it a couple paragraphs - it had many paragraphs. My God it went on and on! - but let me just read one or two of them that are relevant to this. It says that "Newfoundland need not have the highest unemployment record and the lowest per capita income of this great nation. My government is planning to introduce new social and economic policies to guide effective development within the Province. My government pledges itself to the philosophy of inter-regional equity, government interdepartmental co-ordination and intergovernmental partnership.

"The basic resources of our Province - the sea, the land, the clean air and the pure water - must create the foundation upon which our new Newfoundland society will be built in order to make the Province a place in which our young people can grow and find opportunity to develop and utilize the skills and the talents which are theirs. In order to make, for our Newfoundland's sake, use of this human resource here at home, it must create not only jobs but a sense of challenge; not only material wealth but a pride and purpose in Newfoundland life. Our Province can provide these things and my government must see that it does." Those were the words which His Honour read to us, Sir, that memorable day, the same words which we heard today or the same

thoughts we heard today from the gentleman from Kilbride (Mr. Wells).

After four years, after four years in office they are no closer to reality now than they were then, Mr. Speaker. Let me just

MR. ROBERTS: refer again, I mentioned them on Opening Day and I will go on mentioning them, when this administration took office - I will give the figures for November - in November 1971, when this administration was coming into office, they came in in January, there were 14,000 people employed in this office and 18,000 unemployed. Today, Sir, there are 160,000 employed. We have gained 20,000 in four years. But, Sir, the number unemployed has gone up from 18,000 to 20,000. We are not making progress, Mr. Speaker, we are falling behind and that is the result of this government's policy, all their empty words and their promises. I can read on and on and on. "It is my government's intention to involve the people of the Province in the governmental process through the establishment of Advisory Councils." That was a George McLean special, that one.

"These advisory councils will be composed of individuals expert in their respective field, with province-wide representation. An Advisory Council will advise my government on the problems and on the solutions to those problems. They will provide specific recommendations to my government. Employing the same principle my government will establish Regional Advisory Councils to advise on regional matters." Not one single council, advisory or otherwise, has been established, not one! The same words which we heard from the gentleman from Kilbride today, the same thoughts.

Sir, the government are giving us in answer the same rhetoric we saw in 1972 and at the same time, Your Honour, if you look at the budget, as my colleague from Burgeo-Bay d'Espoir pointed out, the resource departments are chopped and cut to smithereens. The Minister of Finance with his stony-hearted fiscal policy has decided - forget the words, Your Honour, the reality of the budget is not in the honied words which the Minister of Finance reads. He has weeks to prepare those. He has expert staff people and public relations people to advise him, "Now, minister, put it this way; do not say the glass, Sir, is half empty. Say it is half full." And he has all the skillful advice that can be commandeered and he has his own considerable wit and intelligence, if only he had the candor to go with it, Sir.

MR. DOODY: Hear! Hear!

MR. ROBERTS: The hon. minister puts the words together and the words are meant to be read on the television so that people throughout the Province, most of whom are complaining because they do not see, "As The World Turns," or "The Edge Of Night," but instead seeing the minister on the edge of disaster, wherever he is this year -

MR. ROWE: "As The Stomach Turns."

MR. ROBERTS: Well, the hon. minister may be, "As The Stomach Turns," Sir, if I were him I would not speak of his colleagues that way.

MR. DOODY: If you were he.

MR. ROBERTS: But, Mr. Speaker - no, Sir, if I were he I would not be me. Now, Mr. Speaker, that is something up with which I will not put, as Sir Winston Churchill once said. Now, Mr. Speaker, as I was saying the Minister of Finance, Sir, brings in the honied words of the speech but the reality of the budget, the reality of this government's policy is in the figures. Look at the resource departments, just look at them. We will look at them again and again and again because that is the message, Sir. Forget the honied words.

Current account summaries by department - Fisheries, Sir, they originally were going to spend a net expenditure of \$5,093,400. The revised net expenditure is \$2,827,600, that is about 55 per cent, about 55 per cent. Fisheries, which everybody says is the greatest resource! "Oh, we can develop the fisheries," they tell us. When they have to put their money where their mouths are, Sir, to use an inelegant but very telling phrase, there is the story, down, \$5 million original net expenditure, \$2.8 million now net expenditure. What other departments?

MR. DOODY: Office of the Opposition.

MR. ROBERTS: Yes, Office of the Opposition, there is a resource department, Sir, that needs to be developed, needs to be developed, and I hope the government, Sir -

SOME HON. MEMBERS: Oh, oh!

MR. ROBERTS: I hope the government will do their duty, I hope the government will do their duty, Sir, because I say to them now, I say to them now, Sir, that they are only attending to their own best interests, because in three or four years, Sir, they will be back over here in the Opposition

MR. ROBERTS: and they will need that help and they will need that assistance and we will certainly make sure that they get it and I hope, Mr. Speaker, that the hon. gentleman from Bonavista South is here. I really do. His constituents do not, but I do.

Mr. Speaker, the reality of the budget is that the government have not put any emphasis on resource development and that is the reality of the last four years. They have not

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developed any plans or any thoughts or any ideals. They have lurched ahead from scheme to scheme, from expedient to expedient, hoping always for the great panacea, hoping always they will have the great bonanza that will somehow provide them with jobs. They do not know what they are doing and they do not know where to look to get some ideas.

Mr. Speaker, I say to the hon. gentleman from Kilbride and his colleagues that the government should spell out their priorities and their plans. The minister offered us rhetoric. Let him offer the people of this Province substance. We have had enough of the fairy tales and the empty words. Ah! They might have been okay in March, 1972, so that we could, the government could try to get elected and get themselves into office. But now that they are there what are they going to do with it? What are they going to do with the reins of office? What are they going to do with the powers that a government of this Province has? They have not done anything with it yet. The Newfoundland Conservation Corps has not seen the light of day. It is a corpse, not a Corps. "The proper and reasonable management of our vast offshore gas and petroleum potential," we were going to issue regulations governing the activities of interested groups in this area. No regulations have been issued. No policies have been developed. They are still groping around, hoping somehow that they can get into a confrontation with the Government of Canada and that will serve as a substitute for a policy. It will not, it should not and it must not for the interest of the people of this Province.

The minister very eloquently said, Mr. Speaker, let the people do their share. It is a theme with hon. gentlemen opposite. It is a good theme. The people of this Province must do their share in running the affairs of this Province. But, Sir, the people are not the government and the men who put themselves forward in a general election, not only as candidates in a constituency, because each one

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of us runs, Sir, as a candidate in a constituency. No man or woman sits in this House but what she or he is elected by the people in a constituency according to the Election Act. But, Sir, we run not only as members but we run also as part of a party. And no group of men who hold themselves out to run this Province have a right to say as these hon. gentlemen are saying, "Oh! well, it is all the people's fault." That is what they are trying now. They cannot blame Ottawa. They tried that. We have told the Supreme Court to go to hell - an eloquent telling statement by a minister, which not being repudiated obviously represents the policy of the government, perhaps ineloquently phrased but nonetheless I have no doubt represents his true feeling. Now, now the new cry is - the geniuses in the public relations field in the P.C. Party have said, now what we will do is we will say it is all the fault of the people, that they must do it. Well, Sir, it is not the job of the people of this Province to lead. It is the job of the government of this Province to lead. What about the Labrador Resource Development Corporation? We have been promised that ad nauseam time and time again. It got so far as first reading and a bill was tabled and then the people from - the Indian Association met and they had a look at it. And it was the first they had seen of it, Sir. All the talk of consultation and participatory democracy went up in smoke. That bill was produced by some public servant somewhere acting on instructions from ministers who had not consulted a soul and when the people of that convention got a look at it they were horrified and they immediately sent word to the minister, now the Minister of Finance, the then Minister of Industrial Development, "For heavens sake, do not go ahead with it." He had the wisdom not to go ahead with it, but nothing has been done since.

The other day the Minister of Industrial Development leading again with his lin said, "Oh, they are still considering the same bill." My friend from Eagle River asked a question or two, and they are still

considering the same bill. Has there been consultation with the people on the Coast of Labrador since? Have they been down? Have they said, here are - the government said, "Here are some ideas. What do you think? What do the Inuit people think? What do the Indian people think? What do the other residents of the Coast of Labrador think?" No, Sir, there has not been any consultation on the Labrador Resource Development Corporation. There was a meeting the other day in Happy Valley. The Minister of Mines and Energy went down to it. People came in from the Coast. Was the member asked? Were you asked, Ian, to that? You were asked to the meeting in Happy Valley. That is the only consultation there has been to my knowledge. If I am wrong the minister will doubtless tell me so and so he should. But, Sir, I look forward to the minister telling me so and I may be wrong. I only know what is public. I have no secret information. I do not have people listening at the keyholes down in the floors of this Building.

MR. ROBERTS:

I am not particularly interested in it either. I do not believe in peep shows.

Mr. Speaker, the government of this Province have not led and they are not now leading, They have got into office - I will not go now into how they got into office- they got there and they won an election ~~overwhelming~~ and they have proceeded to dissipate the mandate that they were given. They have come down and down in public support, and they are going down and down still more. Why? Because, Sir, they have betrayed the trust the people of this Province put in them. They have not led. We are hearing the same empty rhetoric today that we heard four years ago and three years ago and two years ago and one year ago and three months ago in a general election. This is the same administration, Mr. Speaker, representatives of whom went down to the Straits of Belle Isle and blew up the dynamite and said we are going to go through with that tunnel come hell or high-water. And now where are we? Oh it is all on the long - now it goes ahead only if Quebec will supply us with power, and if the Government of Canada will up their financial stake. I am not allowed to say what I think of it, because it has been ruled unparliamentary. But I know what the people of that district think of it, and I know that they will not forgive, and they will not forget nor should they. This government, Sir, have betrayed the confidence the people put into them, they have dissipate it. And now new men have come in - the gentleman from Humber Valley (Mr. House) has come in, determined to do his best and I wish him well, an hon. man and a man who believes he can do something for the people of his constituency, and he has been given an opportunity to join the Cabinet and he has accepted that, and given an opportunity to serve in the important field, an important post, as Minister of Education. But he will discover, he will discover, the hon. gentleman will not be party I hope to any deception, but he will discover that empty words, the words he is uttering now, he will try his best to put

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substance in them. And I hope he does, and if he does not I know he will be man enough, I know he will be man enough to stand as did the gentleman from St. John's East (Mr. Marshall) and say, no more, no more, I get out, I want no part of this, I will leave, I will not sanction it. Sir, I say to the hon. gentlemen opposite, let the government lead, let the government tell the people of Newfoundland and Labrador honestly and openly and with clarity of vision and with boldness of step what they plan for us, not empty words, not Throne Speeches that are just generalities. That is not leadership, Mr. Speaker. It is not telling the people of this Province where we go, and let them not look to us. The hon. gentleman from Grand Falls (Mr. Lundrigan) who distinguished himself, in a sense, in another place, in an Opposition role, now says, let the Opposition tell us how to govern. I say to the hon. gentleman from Grand Falls (Mr. Lundrigan) if he does not know how to do it, get out, put it back to the people and let the people decide. And if the people of Newfoundland and Labrador give my party, the Liberal party, the job and the task and the duty and the responsibility of governing then we will show what we can do and we will stand by what we have done, we will provide that leadership. Hon. gentlemen opposite have not. They are new now. The hon. gentleman from Ferryland (Mr. Power) who will only be with us for a short while, and then he will have to go back to the verdict of the electorate again; the hon. gentleman from Naskaupi (Mr. Goudie) who believes, the hon. gentleman from Mount Pearl (Mr. N. Windsor), the hon. gentleman from Mount Scio (Dr. R. Winsor) who got in on his -

AN HON. MEMBER: Pleasantville.

MR. ROBERTS: Pleasantville (Mr. Dinn) I beg the hon. gentleman's pardon. The hon. gentleman from Mount Scio equally. The hon. gentleman from Pleasantville got here on his own hook, He was not the favourite candidate, nor for that matter was the hon. gentleman from St. John's North (Mr. J. Carter) who has not been in the favourite circle for three or four years. But these hon. gentlemen, Mr. Speaker, have come believing. The hon. gentleman from Naskaupi made a very

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candid statement, and I have no doubt a very complete statement when he said, "Well I think these guys are going to win, I will go with the winner and see what they can do." And I say, fine. But now let him realize, as I believe he does, that words alone are not enough. Words will not build the Paddon Memorial Hospital or rebuild it or extend it. Words will not serve as a substitute for a policy to replace the jobs which will be lost when the USAF phase down or phase out, whatever it is they are going to do at the Air Base in Goose. Words will not serve as a substitute for the incredible mess that Labrador Linerboard have made of the logging operations down or in and around Goose Bay. A scandal, I do not say money robbed, not that kind of scandal, but inefficiency and incompetence of the highest possible order. Words will not serve, Sir. Rhetoric will not serve. Rhetoric does not explain away those unemployment figures, Sir, 28,000 unemployed in October,

14.9 per cent of the work force on an actual basis - 28,000 unemployed out of a work force of 188,000.

AN HON. MEMBER: No, 38,000.

MR. ROBERTS: No, Sir, 28,000. I say to the hon. gentleman, I believe it is 28,000. On a seasonally adjusted basis, it is 19.6 per cent, then 38,000, but I am using the actual figures, not the seasonally adjusted ones, but I have used actual throughout. Seasonally adjusted the hon. gentleman, I think, is dead on, it is 38,000.

But, Mr. Speaker, whether a man is adjusted or seasonally unadjusted, his lack of a job is real. Mr. Speaker, this government have failed. They have failed. They are failing. They have no vision for this Province, no idea of what they want to build. Beyond all the marvellous rhetoric and the eloquence of the gentleman from Kilbride (Mr. Wells), who is a professional eloquence user - I do not know if there is - the hon. member for Terra Nova is one of those educator types - is there a word to describe that? He is not a ventriloquist.

MR. LUSH: Eloquitionist.

MR. ROBERTS: Eloquitionist. Is there a word eloquitionist? Is that parliamentary, Mr. Speaker?

AN HON. MEMBER: Eloquation .

MR. ROBERTS: No, elocution is different from eloquence. Elocution is saying, "How now brown cow," in ringing pear-shaped tones. But, Sir, is eloquitionist parliamentary, Sir? May a member be an eloquitionist?

MR. MORGAN: It sounds pretty dirty to me.

AN HON. MEMBER: I could not advise you.

MR. ROBERTS: Mr. Speaker, Mr. Speaker, the hon. the Member for Bonavista South (Mr. Morgan) is at it again.

MR. MORGAN: Twinkle! twinkle! little star . . .

MR. ROBERTS: Yes, Sir, and how I wonder where he are and why? Why? A great resolution in this House, Sir, would be why is the

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hon. gentleman from Bonavista South (Mr. Morgan). That, Sir, would be worthy of debate.

Mr. Speaker, I have said that we do not intend to vote for this resolution, this amendment. We do not think it is the right way for this Province to go. We do not feel - if there had just been a first half to this motion, we might have approved it, we might have said that we would subscribe to the view that the public debt has swelled inordinately. We think it has been ill spent. We think that the way in which this government have spent their money has been bad. We do not think they have got good value. We do not think they have increased the economic opportunities available to our people. Indeed, Sir, if it were not for the Government of Canada I think we would be in a very desperate state economically in this Province. I heard the hon. gentleman today, I think - I did not get all of him - taking a slice or two off the ample side of the Government of Canada with respect to their policies, with respect to this Province. The hon. gentleman nods acquiescence. I did get the gist of his remarks. Well, I am not going to defend the Government of Canada, and indeed I could probably attack them in many ways just as strongly as did the hon. gentleman from Kilbride (Mr. Wells) but for different reasons, Sir, my comments I would make for different reasons.

But I say whatever the Government of Canada have or have not done, whether it be good bad or indifferent, it is about 4 million per cent more than the hon. gentlemen who sit opposite have done and that without the Government of Canada, Sir, we would be in a very sad state indeed in the Government of this Province. And if they say that the Government of Canada have not supported economic development in this Province, I say to the government here, where are the plans you have put to Ottawa? And I say there are no such plans. And I do not have that from Ottawa, I know that, because the government would have revealed them. There are no plans. They have not gone to Ottawa and said, "We would like this many million or hundreds of millions of dollars

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to develop our Province." They have not. Every time they have taken a plan, they have got a reasonable response - the St. John's water supply, absolutely essential to the capital city -

MR. ROWE: And surrounding areas.

MR. ROBERTS: - and surrounding areas, right, the whole Metro area; the DREE agreements; the new fishery agreement that is being negotiated with respect to my district, the herring agreement; the Linerboard, on and on and on and on and on, even the infamous Arterial Road; the Burgeo fish plant, a great resource development project funded largely by the Government of Canada, funded as well by the Government of Newfoundland and Labrador, and the government apparently are now renegeing on it. If they are not renegeing - the Premier, are they renegeing?

MR. MOORES: Are you insisting?

MR. ROBERTS: No, I am not. I am insisting on an answer, but I can only insist.

MR. MOORES: We are looking for a clear -

MR. ROBERTS: The government, Sir, are renegeing on it. I feel that is what their attitude and their actions say. They can prove us wrong. I hope they do. I would love nothing better than to see a start made on the Burgeo fish plant, nothing better. They promised it. A couple of days before the election the hon. Minister of Finance was down there waving a document saying, "She is going ahead, boys."

MR. ROBERTS:

And of course the day after the election it got the royal order of the boot. The hon. gentlemen opposite have not admitted that yet, and they can prove me wrong very easily, and I just say to them, prove me wrong. All they have to do is say it is going ahead and announce when it is going to start.

Mr. Speaker, the government of this Province have no reason to attack Ottawa. They have every reason to look in the mirror, they have every reason to say, have we asked for enough, have we put up our plans? Where are the great fisheries plans? The Government of Canada have saved the fishing industry.

MR. CANNING: What about the twenty draggers?

MR. ROBERTS: Ah, my friend from Burin-Placentia West (Mr. Canning) reminds me what about the draggers that were going to be built at Marystown? Where are they? Not one - the keel has been laid on not even one. What about all the great development projects around this Island? All we have had are a few marine service centers funded mainly by the Government of Canada. What about the forest development policies? If it were not for the DREE money there would be precious little done in our forests. I could go on through department after department. Not enough has been done, I agree, not nearly enough has been done. But without what the Government of Canada have done, Sir, even less would be done. And I am not even mentioning unemployment insurance.

The reason we do not have riots today in this Province, the reason there are not meetings out in front of this building similar to the one held in front of the Colonial Building in 1932, the dying days of the Squires Administration, the reason for that, Sir, is unemployment insurance. Whether we think the system is good or bad, it certainly can be improved.

What about the offshore concrete platforms? What about the cement plant? What about the aluminum industry? What about the birch plant? What about the industries of deep water ports? All of these were promised. None has come into being. Have we gone to Ottawa with our great development plan, Sir, and said, help us, give us the money

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for an operation boot strap. We have not, Sir. Hon. gentlemen opposite, all they have done is they might have had a project suggested to them, somebody suggested or some bureaucrat in Ottawa dreams it up or some bureaucrat here and they come down and they go up and they wheedle a few bucks and they think they have done a good thing. But where is the great vision? Where are the priorities? Where is the creative thinking about the future of this Province? Not from this group of gentlemen, Sir, not from them. All we get is empty rhetoric. Well, Sir, the job of the government is to lead and leadership, Sir, means spelling out one's plans and ideas and saying, here we stand, follow us.

It is not enough for hon. gentlemen to attempt to worm out from the burdens of leadership by saying, oh, let the people do it as if somehow we were now going to get a great write-in campaign to the Premier. Dear Premier, I think and on and on. No, Sir, the people will respond to leadership. The people of Newfoundland and Labrador Mr. Speaker, have been here a long time and it has been a long and a hard struggle. Nobody who lived in this Province in years gone by had it easy. Nobody who lives here today in very many senses has it as easy as one could elsewhere. It was much easier than in the olden days, of course, but there are many people in this Province who still do not have it easy.

The people in St. Carols do not get lights but yet the government can lash out \$700,000 on the folly of the Norma and Gladys, that seagoing invitation to a disaster and fuelled mainly by the stubbornness of the Minister of Tourism.

P. MOORES: What about the federal government's role?

MR. ROBERTS: The federal government have paid remarkably little of it, and if the Premier would like the figures, if he has not got them, I would be very happy to give them. They have paid less than half. They have agreed to pay no more. Well, let the hon. gentleman table the correspondence. Will the Premier table the correspondence? Will the Premier table the correspondence? Of course the money which Ottawa provided - he tells us it is more than half - that comes ill

from a government that just finished nailing Ottawa for not doing enough.

PREMIER MOOPES: Make up your mind!

MR. ROBERTS: I am sorry?

PREMIER MOOPES: Now, boy, make up your mind!

MR. ROBERTS: The information which I have may not be accurate. We have asked questions. The minister and the Premier and all their colleagues have ducked and swerved and jumped and jimmied trying to avoid giving information. Ah, that is the truth. We can ask a question but we cannot make hon. gentlemen answer. The hon. Minister of Rural Development has refused point-blank, arrogantly, to table the list of those who get rural development loans.

MR. MOORES: The Norma and Gladys.

MR. ROBERTS: Yes, the Norma and Gladys, has she got a rural development loan? They were given out for undertakers, morticians, beauty salons, -

PREMIER MOORES: The federal government.

MR. ROBERTS: - newspapers. The federal government got a loan from rural development?

PREMIER MOOPES: No, but they will need it.

MR. ROBERTS: They may need it. Well, I hope the hon. the Premier will give it to them.

PREMIER MOOPES: Back to the Norma and Gladys, now.

MR. ROBERTS: I am sorry, the Norma and Gladys. Will the Premier - it is very simple - will the Premier agree to table the details? Will the Premier agree?

PREMIER MOOPES: The figures answer.

MR. ROBERTS: Will the Premier - no, no the details of what -

PREMIER MOORES: The figures speak.

MR. ROBERTS: Mr. Speaker, I am familiar with the Premier's figures. And as I said before, and

MR. ROBERTS: and let me say again that there are lies and there are damned lies and there are statistics, and I say to the Premier, let him table the correspondence. There is nothing secret about it, is there?

MR. MOORES: You want what?

MR. ROBERTS: On the Norma and Gladys, Good! The minister refused the other day and the Premier now will table it. Well and good. And if I have said something that is incorrect I shall gladly, once the correspondence is tabled, I shall gladly make full, whatever I have to do- apologize, explanation, sackcloth and ashes.

MR. MOORES: The federal government are paying the major share.

MR. ROBERTS: No, the federal government, Sir, are not.

SOME HON. MEMBERS: Oh, oh!

MR. ROBERTS: Mr. Speaker, we can resolve this arugument and we shall resolve it very simply when the Premier tables the correspondence. That is all that is needed. Now since the Premier is on the tabling mood, will he agree to table the rural development loans? Will the Premier agree? No, he will not. Why? What are they hiding? Oh they tabled them once before.

The late member for Trinity South, Mr. James Reid, of Heart's Content or Heart's Desire, wherever he - Heart's Desire, who met an untimely faith, electorally speaking, at the hands of my colleague, the new member for Trinity-Bay de Verde. He was then the Minister of Rural Development, tabled a list and all we have heard since is, oh, we allegedly criticized. We mentioned three names and we still want to know how come three Tory candidates who had no other apparent recommendation got loans.

The gentleman from LaPoile the other day, I believe, referred to other candidates or former candidates who apparently got preferential treatment from the Rural Development Authority. I say to the government that since they will not table the list, people around the Province are beginning to believe there is something hidden in it. That is simple. They can avoid it. They have tabled them before. They have tabled the list before and made it public. There were no names battered around or bantered or

MR. ROBERTS:

even mentioned with the exception of three gentlemen who had thrust themselves into the political arena by standing for election and then subsequently being unsuccessful in that were remarkably successful in their attempt to get a Rural Development Loan. That is all that happened. But of course the list has not been tabled.

Now, Mr. Speaker, as I was saying, people who live in this Province have had a long and a hard struggle to be here and to survive here, to stay here, and whatever we have in this Island and on the Labrador today we have got the hard way. Nature in some ways has blessed Newfoundland and Labrador. We have abundant resources, we are told, and we have them but it is remarkable how little we have been able to get out of those abundant resources, we have been able to get out of developing those abundant resources. We have a tough and a hardy bunch of people. We have had to be. Over 400 years the toughest survived and the hardiest survived.

But, Sir, the people of this Province have a right to know what is their future. What is to be their future? Is it to be, in the words of this amendment, "severely limiting the amount by which the debt is increased." Or can we develop in this Province a land that we want to live in, an economy that can provide us with jobs, reasonable jobs, decent jobs, reasonably well paying. They do not have to be \$40,000 a year or \$50,000 a year, Sir. Lawyers make that and doctors make it and that is well and good. I mean they are doing well out of society but most societies do not pay those people that well but we do in North America. But the average Newfoundlander would be well-content with remarkably less than that because the people who live out along the Port au Port Peninsula, represented by my colleague, the member for Port au Port, would be content with a devil of a lot less than \$40,000 a year or \$50,000 a year in income. They would like a job where they might make \$6,000 or \$8,000 or \$10,000 a year, where they could work in decent, honest work. It is not much to ask, the chance to work.

It is not much to say of a government that in 1975, nearly in 1976, we expect government will make that happen or will try to make it happen,

say that we expect more than rhetoric, empty words. What is our future, Sir? Do we believe in it? Do we believe in it enough to borrow, borrow what we must have for our roads and our schools and our hospitals and water and sewer systems and economic development projects? Are we prepared to fight for it, to work for it, to plan for it, and even if necessary to dare?

The gentleman from Kilbride today came very close to using a slogan that I believe is an honourable one, "Develop or perish." If I were writing a headline about the hon. gentleman's speech this night I might be tempted to say, if I may use the hon. gentleman's name, "Wells says develop or perish." Because I believe that must be, that must be,

MR. ROBERTS:

that must be our cry in Newfoundland, Sir. I do not say develop at any cost, I am not saying, borrow imprudently. The hon. gentlemen, Sir, will accuse me of saying that, but I have been accused of worse by better men than the hon. gentlemen opposite. I say, Sir, that we must develop this Province or we shall perish. And if we adopt this sub-amendment, which I never thought I would hear from the hon. gentleman from Twillingate (Mr. Smallwood) who dedicated his entire political career to believing and to fighting and to dreaming and to achieving, his reach, his dream may have been greater than his achievement, but, Sir, his achievements were great indeed. Sir, I shall not support this amendment. My colleagues and I believe that our credit is a resource and if used wisely it can help us. I for one will vote against this amendment, Sir, and I would ask every hon. member to do it. I think, Sir, to do less with all respect to those who hold other opinions that to do less, to do less, Sir, is to vote against the future of this Province and that I will not do. Thank you!

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER (DR. COLLINS): The hon. Member for St. John's East.

MR. W. MARSHALL: Mr. Speaker, before proceeding with the remarks I have to make I would like first of all, because this is the first time I have been on my feet, to offer my congratulations to you, Sir, in your election as Deputy Speaker, and also of course to convey my congratulations to the Speaker of the House. Now to those of us, Mr. Speaker, who are left to bask out here in the bleachers in right field in the House of Assembly, and these fellows like myself who have to bask perhaps on reflected glory, perhaps I will be forgiven by members of the House and by members of the Law Society for observing that His Honour's election, Mr. Speaker's election and elevation to the Throne of this House, from my point of view anyway bears living witness to the fact that the quality of my articulated clerk is at least improving a bit.

SOME HON. MEMBERS: Hear, hear!

MR. MARSHALL: And I would like to wish you well, Mr. Speaker, with respect to it, and you as well Mr. Deputy Speaker.

Now, Sir, the role of a government backbencher is a difficult role indeed. The role, sitting in the backbench or as a private member supporting the government, as I do, is extremely difficult, because sometimes the words one utters can be taken out of context and sometimes these words can be construed in a way that one does not mean, does not necessarily mean. And I hope tonight that I can perhaps convey my meaning correctly with what I feel with respect to the Budget, because I feel, Mr. Speaker, that it is absolutely essential that every member of this House be he in the Cabinet, be he in the government backbench, be he in the Opposition come out unequivocally and clearly and state their opinion with respect to the financial affairs of this Province.

Now this particular address, if one wishes to call it such, these few remarks were prepared before I heard the hon. members for Twillingate (Mr. Smallwood), the hon. government House Leader, and the hon. Leader of the Opposition, and I have to say from my own viewpoint, quite frankly and quite clearly, that as a member of this House, as an elected member, that I am very concerned with the financial affairs of this Province. I feel myself from what I have seen with respect to the financial affairs of this Province that we are in a crisis in this Province, we are in a critical position, and it is going to require very, very strong measures that, I believe, and leadership that I believe this government can give to overcome it.

Now I note that the hon. Leader of the Opposition has indicated that he is not concerned with the debt. And I am as amazed to find—I am not amazed to find that the hon. Leader of the Opposition is not concerned with the debt—equally amazed am I to find that the hon. Member for Twillingate (Mr. Smallwood) is all of a sudden concerned with the debt. Because the fact of the matter is, Mr. Speaker,

Mr. Marshall:

when the hon. members there opposite were here present if they had shown considerable more concern about the fiscal responsibility and the fiscal affairs of this Province we would not be at the stage where we are now, where the public debt, the service fund on the public debt is the third highest expenditure we have to make in every year.

MR. MARSHALL:

But let us not gild the lily in any way, and we cannot gild the lily and we cannot hide the fact. And to my mind it is a matter of supreme importance and deep concern, and it must be of every member of this House, the financial position and the situation in which we find ourselves. And let there be no mistake about it, Mr. Speaker, It is not solely caused by inflation. Inflation certainly is a factor. But inflation has been with us for a long period of time and inflation is a factor insofar as the cost of construction, the costs of materials, the costs of labour have increased. But there is a plus to inflation as well, as the hon. the government House Leader indicated today. On the revenue side there is very much a plus in that because of inflation the revenue increases. And if one wishes to look for the proof of the pudding in that all one has to do is look at the estimated revenues for retail sales tax.

The hon. the member for Burgeo-Hermitage, I believe it is, or Burgeo-Bay d'Espoir indicated the other day he could not understand why the acceleration in the amount estimated for the retail sales tax. Now I have to confess when the original budget for 1975-76 was brought in I wondered at that figure because that figure then was about \$15 millions to \$20 millions higher than the year before. But as it turns out we have on the revenue side \$126 millions of dollars whereas with the estimate we had \$107 millions. So inflation is not the sole cause. There are advantages to inflation as well as grim and grave disadvantages. The fact of the matter is, Mr. Speaker, that we have nothing to do with inflation anyway to a large extent. We are the victims of inflation. Inflation is caused by fiscal policies of the Federal Government that we have no means of controlling. It relates to the money supply that is entirely within the hands of the Federal Government and which the Federal Government to its everlasting condemnation in the years to come has been financing its huge public works over the past few years by reason of increasing the money supply and this has a grave effect upon inflation. And similarly, the Federal

MR. MARSHALL:

Government, of course, has not met the challenge of inflation through the mechanism of interest rates in setting the fiscal policy through the Bank of Canada. No, Mr. Speaker, while inflation is a factor in the financial situation that we find ourselves in, I think we have to realize and I say as a private member of the House I think we have to speak quite freely and quite frankly that I think that the main, principal cause is obviously that we have been living beyond our means, so much so that we are at a crisis, in a critical situation. Look, all you have to do, Mr. Speaker, is look at page seven of the estimates. This year the fourth highest, and next year it will be third highest, expenditure that this government has to make comes out of a consolidated revenue fund and the total is \$90 millions, for debenture debt retirement, \$83,700,000 goes towards this. So that if you need any proof of the financial position that we are in right now, the seriousness of it and the necessity to look at it gravely and not brush it aside as the Leader of the Opposition did a few moments ago that he was not concerned with the debt, just consider the fact that the interest rates are— that the amount we are paying out just on interest alone for our debt is the third highest expenditure this year that we will meet. That is interest alone. And we are also obviously coming to the end of our taxation power on the other side. Our power of taxation, the amount we can extract from our people, we have certainly come, I would suggest, to the point of diminishing returns.

Now I happen to believe, Mr. Speaker, that the reason we are in this crisis— reason we are in this crisis situation is because of the fact that for twenty-three years— although we are not supposed to talk about it— money was borrowed and spent like it was going out of style and when this government

MR. MARSHALL:

came to power it seems that the press and the public and the people here in the House of Assembly seem to forget the fact that every year we had to borrow between \$60 million and \$70 million in order to pay for the interest on the debt that was then present. But, Mr. Speaker, I am not going to engage in a dialogue today as to who was at fault because to a large extent the situation now is so grave I can only put on record my impression of who is at fault. But I do not think that that is very relevant at the present stage. I think what we have got to enquire into is what we are going to do about it, and in the course of enquiring what we are going to do about it we have to touch sometimes upon how it came about.

Now I think that one of the first steps and paramount steps that must be taken to meet the situation in which we find ourselves - and it is a grave situation, I cannot overestimate it - is that there must be the fullest type of fullest revelation of the fiscal condition of this Province such as has never been done before so that the facts of the fiscal situation will be known. Now when you say that people tend to get emotional from time to time and you hear from time to time bleating and braying and what have you and saying, we are not attempting to hide anything - and I am not insinuating that anyone is attempting to hide anything - but, the fact of the matter is that the way the estimates have been treated, by reason of the way, I might say, in large measure, 90 per cent of the measure, the way the Opposition has treated the estimates in this House in the past Assembly has resulted in not a full discussion and proper discussion of the fiscal affairs of this Province. There were departments that were not even considered at that time.

So I think we have to first of all have a full revelation of the fiscal condition of this Province, and that has to be accompanied, Mr. Speaker, I think when you do this, with full statements of all crown corporations, boards and agencies. Now I watched with a great deal of interest at the hon. the member for Twillingate (Mr. Smallwood) the other day - I guess it was Monday, the day before yesterday - when he came and he insisted that there was a full

MR. MARSHALL:

revelation. Now it is not a case of it being the fault of anybody that there has not been, it is just the way the procedures have been.

The hon. the member for Twillingate (Mr. Smallwood) brought out very impressively, I know, to members of this House estimates, and then he came and he said, look the Auditor General makes a report every year, the Auditor General reports on Crown Corporations, the Auditor General reports on the situations and how the money has been spent in accordance with the estimates, and he very impressively piled the books on the table. But the fact of the matter is, Mr. Speaker, that these reports are made after the fact. It is not surprising to me, Mr. Speaker, that the hon. the former Premier would take this view because after all he saw nothing wrong with reporting after the fact during his regime. The fact of the matter is that borrowings were reported after the fact, and in his mind, in all fairness to him, he probably thinks that this is sufficient, but in my mind it is not.

There are major corporations here, particularly corporations like Newfoundland and Labrador Hydro and Newfoundland and Labrador Housing Corporations whose budgets themselves exceed in some cases many of the departments who I feel should have their full financial statements voted on beforehand and presented to the House. Now I know they are presented here and they are presented in block from time to time. This usually results in people getting up and making various observations with respect to housing in the area and what have you. But it does not and it has not resulted in there being the type of searching analysis of these institutions as I think there ought to be.

MR. NEAPY: How about the university?

MR. MARSHALL: The same thing as I have said, with respect to the university. I feel that the university ought to have to, in probably a more limited way.

MR. NEAPY: Why?

MR. MARSHALL: Because of the nature of the university itself because I do not think that the university should get into the stage where the political end of the government is really in effect dictating.

MR. MARSHALL:

and interfering with academic freedom. Now there is a halfway measure in between in the stand that has previously been taken by the university and the stand of complete debate, because we do not want to interfere with an institution which as far as I am concerned is one of the better institutions that this Province has right now, one of the more beneficial ones.

But there

MR. MARSHALL: has to be, I feel, that there has to be a fairly ample debate with respect to the university, maybe not as searching as that of the crown corporations and the agencies but certainly much more than has been done in the past. So that is the first thing: There has to be a full revelation of the financial condition of this Province so that the public of this Province can know what the situation is and appreciate the reason why expenditures have to be cut.

Then of course there have to come a necessary dissection of every unnecessary expenditure that may be made. We have to cut from every department, crown corporation and agency, any unnecessary fact that may be there because quite frankly we cannot afford it. Now the Leader of the Opposition says, where to cut? Well I am not going to get into specifics here but there are many areas that I am sure that the government would agree where there could be cuts. And I can think of one offhand, the travelling, for instance, of public servants appears to be to me, certainly appears to me to be a little bit more prolific than it ought to be and certainly I think that, you know, that is an area and I know there are other areas as well where there can be saving and we can go into that when the estimates come. And when the estimates do come although I know they will not be on this measure, I understand, for the mini-budget, but when the main budget comes in a couple of month's time I would trust that there would be, I know that the government will be taking measures along these lines. And they must be taken I think as a matter of dire urgency.

Now the government when it makes its decision with respect to the crown corporations and the cutting of expenditures, another thing is the implementation of it. Now I do not always allude too much to what has been quoted from time to time by Liberals, either in the Province or outside of the Province, but the Premier of Nova Scotia has compared the fiscal situation in which they find themselves to that of Dunkirk really where there must be emergency measures taken to cut and to cut drastically the expenditures that - to cut expenditures that are unnecessary.

MR. MARSHALL: So in order to implement that, I do recall from my days of reading history that during the war, during World War I, if you want to use that analogy of Premier Regan, in the Government of Mackenzie King in Ottawa that cuts had to be made in the budget obviously on an emergency basis because of the war, two of his senior Cabinet Ministers were placed in charge of this particular chore. It was Colonel Ralston and the then Finance Minister, Mr. Isley and they proceeded to do just that, and they were commissioned at the time to make the expenditures and if they had any back talk, as they would get from public servants, as you will get from public servants with respect to the cutting out of various pet programmes, then they were authorized, as I think it is necessary here, to authorize a team to do this, to say to the public servants, "You are going to do it." Then if they do not do it make it quite clear that somebody else will be there to carry out the task.

I also feel, Mr. Speaker, that the practice that there is a lot of money that perhaps can be saved between now and March 31st. of this year by reason of the practice that I know has been built up in various departments where monies have piled up in votes and towards the end of the year the people in the various departments and divisions of departments do not feel they are doing their job unless they have spent all this money. And this comes down really to the position of, really, the adversary way in which the estimates are made up in the first place. But I think that steps have got to be taken to ensure that any unexpended accumulated funds in the vote are not spent mainly because they were authorized to do but purely if any saving can be made that they ought to be done.

I think also there have to be certain real changes made in the Civil Service attitude towards their jobs and I would suggest that perhaps what we might beneficially consider is the payment of bonuses to certain public servants who run their departments and divisions in an economic and an efficient manner. Because it is obviously necessary to increase productivity in the Civil Service and this will guarantee as well that

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MR. MARSHALL:

they will be interested in protecting the public purse.

Now, Mr. Speaker, I do not know whether I am expressing myself in the manner that I feel,

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but I feel we are in a crisis in this Province, and I feel we are in a financial crisis, and that there have to be very strong and decisive steps taken to implement various budgetary measures in order to halt the huge accumulation of debt. Because cut the cloth anywhere you want, anyway you want, there is no doubt about it that this Province of 500,000 people cannot afford to continue to borrow at the rate of \$200 million a year. Now people will look at you and say, well what are you going to do about it? I think what we have to do about it is recognize first of all that it is a matter of dire urgency, of extreme urgency and that some of the measures that I have suggested have to be put into place, and I am quite sure - I think it is unfair really for the Opposition to look at the mini budget and for the member for Twillingate (Mr. Smallwood), for instance, in this sub-amendment that we have, to come around and deplore the fact that the government has not saved many millions of dollars, and in his speech he alludes to the fact of cutting it down to, to cut the budget down to \$700 million. But, you know, I do not think that that particular motion is very relevant when you are considering the fact that this is an amendment to the mini budget where we now have the great bulk of the money that was voted already expended. Most of the public works, because of the season, have been implemented, have been completed and the bulk of the money, as I say, I think has been spent.

But now, I think, when the next budget comes in that the the mettle and worth of this government in the next two or three years, Mr. Speaker, is going to be measured by its ability to meet this challenge, to meet the challenge of cutting down the borrowings. And if they fail, if we fail in this - I do not believe the government will fail, I believe it can and it will do it - but certainly if we do I think it could possibly mean the end of representative government in this Province. I think the situation is as serious as that, and it requires, as far as I am concerned, these very strong and stringent

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methods and measures to be taken in order to meet the crisis, as I say, the crisis to which we have come and which I believe is mainly and pretty well entirely a creature and the fault of the mismanagement which this government has inherited and has been dealing with over the past two or three years. Because you cannot get out from under the type of debt with which, the type of mortgage debt, if you like, with which the House of Newfoundland has been incumbered and was incumbered when we took over in 1971.

And when we are cutting expenditures, I want to make another observation if I may. It seems to be very much touted, very much emphasized, very much in vogue, to talk about the fact that we must make expenditures on resource development. Now I agree with the fact that we have to make expenditures on resource development. But I would like to state that my definition of resources includes the human resources as well as the other resources of this Province. And I believe that this must be the government's - surely the government's definition as well. Because after all pretty empty and barren indeed is any policy of any government which emphasizes material resources to the exclusion of human resources. And if the material resources are not a means to an end to the development of our human resources, then there would appear to be a very fruitless policy indeed. I think, Mr. Speaker, that the cuts must be made and they must be drastic cuts, they must be painful cuts, that these cuts must be proportionate and should not be directed to one arm of society any more than others. Because I quite strongly feel, for instance, that even though the field of education consumes a great deal amount of our money I can think of, myself, no more worthy expenditure to be made than in the area of education and particularly in the area of secondary education in this Province. Pretty well all of us have seen the schools in this Province, have entered into the classrooms to see the environment in which our children go to school, and it is quite evident here in St. John's, as I am sure it is everywhere else that

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with the large number of desks there that the teachers, no matter how dedicated they are, that they could do a much better job and perform much better if there were less students to teach than they have. So that is the

Mr. Marshall:

short term, Mr. Speaker, and the short term to me is a very urgent matter. The long term measures, I think, have to be considered as well because it is a very, very vital fact, that we are not generating enough revenue in this Province to meet our needs. I mean, that is a pretty self-evident statement if we have to borrow as much as we do that we are not meeting, we are not producing enough revenue in this Province to meet our needs. We have to ask ourselves in this context, what are we going to do about it, are we going to continue on?

Now I believe myself, this is a personal opinion, that just as it is urgent to pare the expenditures, to pare every bit of fat from this budget and to curtail certain expenditures to forego them in the future and not to be strangled with the huge and crippling debt which is descending upon us, of equal importance then in conjunction with this, that we in this Province have to realize that we have to abandon for once and for all the type of industrial, heavy industrial development where the raw materials are not here in the Province, where we have to get the raw materials outside.

It is easy to mention just a few examples: ERCO, the Electric Reduction Company which is a bequest of the previous administration. Now, it is my understanding that some \$6 million this year has been spent on the electrical, under the Electrical Incentive Act to help industry, and ERCO is the main benefactor. We have a situation I believe - and the government can confirm this - but I believe this is so, it is in the estimates, it is the result of the type of deals that were made before, some time ago, that the Electric Reduction Company is paid now an amount equal to approximately \$4.5 million as a subsidy for electrical power. In other words, the people of this Province are paying the Electric Reduction Company of Canada \$4.5 million in order to allow it to be in existence.

Coupled with that I think we have - I have already indicated who was responsible.

MR. NEARY: The Power Commission.

MR. MARSHALL: Then we have 400 people, I believe, employed by ERCO. I suppose if the average salary is \$10,000, that would be it. So

Mr. Marshall:

in effect what we are doing is we are paying ERCO, the amount necessary, if you want to look at it, to pay the salaries of their workers, all of which gives us the great privilege and the great result which we reap from it, is that they merrily go about conducting their business which, incidentally, causes pollution of untold nature and untold degrees and untold destruction to this Province. Now if that is an economical proposition, I do not know what is. You know, I mean that is a little bit ridiculous and it is not our fault. But perhaps the government should look, and I suggest this and people will say, well there are jobs there. It would be better to pay 400 people \$4 million than see the type of desecration that is apparently occurring in the Placentia Bay area, not only in the waters but in the land around and some people wonder if in other areas. Perhaps it would be better rather than to have this to consider taking the appropriate measures with respect to ERCO.

Similarly with the refinery, The refinery, - another great creature of the gentlemen there opposite, all of them - was a project which involves raw materials again, crude oil, coming to this Province. And we were told in unequivocal terms that, oh, a refinery on such a good basis would be such a good deal, that within five years the refinery would pay for itself. We know what has happened. It is entirely - you know, it is a nightmare, an apparent nightmare.

MR. MARSHALL:

We do not need, we cannot have that, we cannot afford that kind of development in this Province. We just cannot afford it. Now, luckily enough, fortunately enough, through the direction of this government the amount of the liability has been cut by \$115 millions. When we came to power the amount owed was about \$165 millions and through the measure of taking a hand in a way that a hand ought to have been taken many times before by other people we reduced that indebtedness by \$115 million. If Provincial Refining Company was still a crown corporation, regardless of the way you cut the ice or cut the cloth, the fact of the matter is we would have been behind the eight ball for \$165 million. Instead we are behind it for \$40 millions with a second mortgage, a good solid second mortgage behind it.

The fact of the matter is, Mr. Speaker, it is not economical. It is not the type of industry that we can afford to enter into in this Province and although I would expect that it is axiomatic now anyway, I would suggest, strongly suggest that the government take the position that there will be no extension, and that there will be no extension or no new refinery. How else, you know, how can we deal - we cannot deal with that kind of industry. If you want to take Labrador Linerboard, now there is a great one, Labrador Linerboard, Mr. Doyle's great enterprise. We had Mr. Doyle and the hon. gentleman there opposite, we had a good thing going. We had a marvellous thing going. We had the possibility of producing Linerboard from our raw material, from our wood, from our pulp or whatever, from our bark or from whatever you might have. But the only problem, the only problem with it, Mr. Speaker, is that instead of having the wood on the Island or having the mill in Labrador, in other words, having the mill right where the raw material is, we have the mill on the Island and the raw material in Labrador. And to a certain extent we might have just as well have had this raw material over in the Mediterranean. So this type of development, Mr. Speaker, I do not think can continue. Now, Labrador Linerboard is a different situation. It is very highly labour intensive. Certain matters have to be taken, I would suggest, with respect to the

MR. MARSHALL:

development of that particular concern and one of the areas, I think, has already been taken in our forest management. It is going to take a while for the forest management scheme to come in but I would hope that it would come in fairly soon and I would hope that perhaps the government would consider the necessity of dealing directly with Bowaters and what have you to try to trade enough of the tract of land so that we can perhaps produce a little bit more economically in Labrador Linerboard.

Mr. Speaker, I want to say that I think that this is a necessary step for this Assembly to take at the present time. I think without casting statements as to who and how things happen, I think we have got to look at what is there and what we have is a very, very serious situation. And one of the things that we must do in the long run, and I am absolutely convinced of this, is to declare for once and for all that the type of industry that we have in this Province will not be the type of industrial development where the raw material is not near the source of supply, where the raw material does not lie within the Province.

MR. NEARY: No, but you will turn her into a wilderness area.

MR. MARSHALL: No, we will not turn her into a wilderness area. I will tell you what we will do, Mr. Speaker, - that is the type, now look, that is the type of attitude that the hon. - we are smoking out the hon. member for LaPoile. He really has not changed his spots as he apparently is indicating from time to time. But the fact of the matter is we do not turn it into a forest at all. What we have to do in this Province is to realize and that we have to have the type of development which is based on the fishery and the forests and the mining, in other natural resources such as the environment, such as boat building, such as handicrafts and this type of thing. But you can say all you like, the hon. member can say what he likes, he can talk from now till Dooms Day about the fact that we will close up everything, that we will just have forests and forest trails here, but

MR. MARSHALL:

does the hon. member or any hon. member in this House on this side or that side really think it logical to have an industry such as the Electric Reduction of Canada where they are paying out approximately \$4 million in wages and we are paying them \$4.5 million for the purpose of supplying them with electric power? Does the hon. member think that we should put at risk \$40 million, and with another type of refinery \$79 million extra so that we can in the one case provide 400 jobs and in the other case provide maybe 700 or 800 jobs, most of which will come from the technology imported from

MR. MARSHALL: from outside of this Province? Does the hon. member really believe, does he really believe, as I think some people feel, that we are going to have a petro-chemical plant, a petro-chemical complex? We have been taken down that line before and I would submit to Your Honour that there is not a ghost of a chance of getting a petro-chemical complex and that when the refinery was installed, when the first refinery was installed it was a sop to the people of Newfoundland and it was a sop that, "Oh well, if we go on with this we are going to have a petro-chemical complex and we are going to have a large amount of employment." I sat in and I heard the members from Labrador - not Labrador Linerboard - from the refinery indicate that there could be no petro-chemical plants unless there was a huge type of capital investment on the first refinery alone.

Now the fact of the matter is the dreams and the pies, the pies in the sky, the Torontos and the Chicagos and the Hamiltons cannot be here. And the only way that we can drag ourselves out of this is to realize that on the long-term we have to have the type of industrial development in this Province that is best suited for us. We have to have the type of industrial development where the raw materials are here, and it might not sound very glamorous, it might not sound very glamorous contrasted with building up these huge concerns, it may not, Mr. Speaker, sound glamorous at all but the fact of the matter is it is cool, steady employment. The fact of the matter is, Mr. Speaker, that concerns such as - which I think can be applauded - that the hon. the Premier has indicated with respect to the possibility of processing foreign catches of fish on these shores are beneficial -

MR. NEARY: What about our own fishermen?

MR. MARSHALL: - that the process with respect to boat building, and this and handicrafts and what have you, are very, very beneficial. But another salient fact is, Mr. Speaker, that the proof is in the pudding, that it is absolutely criminal, stupid and economically illogical to enter into heavy industrial types of projects where the raw materials do not belong to this shore. Because what happens is there is a strangulation in this Province and we just will not ever be able to get out from under it.

MR. MARSHALL:

Now I have spoken and I will speak again on other matters when the debate comes up, Mr. Speaker, on the Lower Churchill. I have a few observations to make with respect to that.

MR. NEARY: Going to shut that down, too?

MR. MARSHALL: Never mind, we will shut down the Lower Churchill. We will talk about that when the time comes. But this is the type of concern - I draw issue with the hon. the Leader of the Opposition and the hon. the member for LaPoile (Mr. Neary) and the member for Twillingate (Mr. Smallwood) all in their view of develop or perish. I do not myself go along with that particular type of philosophy. The develop or perish philosophy in this Province is going to sink us and sink us pretty darn deep. And it is all very well to talk with great bravado about the fact that we have to develop. Sure we have to develop. It is all very well with great bravado to talk about the fact that we cannot cut expenditure, we cannot cut the amount that we are borrowing in this Province, but the fact of the matter is, Mr. Speaker, that we just pure plain have to. We cannot afford to play economic Russian roulette with future generations. We cannot afford, Mr. Speaker, to have large industrial concerns of the nature that I have indicated strangling the growth of this Province.

Just take a look at it, Mr. Speaker. With respect to the Electric Reduction Company of Canada, I think if my memory serves me correct there was \$10 million that was committed up to 1971 and since that by reason of agreements made by the hon. gentleman there opposite there is probably another \$15 million. So there is \$25 million there down the drain to a large extent.

We are in jeopardy, as we all know, with respect to the Newfoundland Refinery, the picture is very grim. And with respect to the Newfoundland Linerboard, the way it was developed we are to the tune of between \$70 million and \$80 million I am quite sure since 1971. Not faults of this particular -

AN HON. MEMBER: Oh, oh!

MR. MARSHALL: Look, when this particular administration took over, Mr. Speaker, when this particular administration took over we had to rescue it from the Canadian Javlin people because that would have pulled us right

MR. MARSHALL:

sure down and under. There would be no jobs today if it were left to Canadian Javlin.

But the fact of the matter is how can people provide for jobs in any way

Mr. Marshall

where the source of supply is up in Labrador and where the mill is down on the Island part of the Province. This is a resource in Labrador and really it is a resource in Labrador that belongs to Labrador, And even though I am from the St. John's East - that is another topic I think we can talk about in the future and that is, really, the matter of the development of Labrador for the people of Labrador so that the people of Labrador benefit equally fully with the people of this Province.

SOME HON. MEMBERS: Hear, hear!

MR. MARSHALL: Now, Mr. Speaker, I do not know - you know, I do not know how I can emphasize these matters any more, rather than go around, probably parade around with signs, bring it to the attention of people, perhaps we can have, you know, instead of, "Eat at Joes", you know, "Conserve Our Budget," or what have you, or "Do Not Give Our Money, (you know), to John Shaheen," and whom have you, the big promoters who come in and apparently take us in. But I am absolutely convinced that it is necessary to pare down this budget. Obviously the two motions that have been made, the sub-amendment is a motion of nonconfidence, and when you support the government obviously, you know, the hon. member for Twillingate (Mr. Smallwood) invites the Premier to vote nonconfidence in his government. Now that is as sensible as it sounds. There was a chap, I think, by the name of Prime Minister Lloyd who voted non confidence in his government and astounded everyone by it. But I mean it is utterly ridiculous for the hon. member for Twillingate (Mr. Smallwood) to ask the Premier to support a vote of non confidence. And I certainly am not going to do it.

But I do say this, that I am alarmed and appalled, I am alarmed and appalled at the amount of money that is being spent and at the amount of the debt; and when the time of the main estimates come, I know and I expect and I have confidence that this government will pare down the expenditure in this Province and pare down the amount

Mr. Marshall.

that we have to borrow such as never has been done before on an emergency and an urgency basis. And I also again feel that - I do not feel myself, Mr. Speaker - that the reason why I am dwelling on this is that really the budget has conveyed the sense of urgency that is necessary. I know the hon. Minister of Finance intends to do this and did it in his writing. But all you hear around the streets is, well, the budget was not as bad. We got a ten per cent increase in the sales tax but this has been taken off, and that kind of psychology cannot continue, because we are in a dire, urgent financial crisis.

MR. SPEAKER: I wish to inform the hon. gentleman that he has approximately three minutes remaining.

MR. MARSHALL: Thank you, Mr. Speaker.

Now, Mr. Speaker, look, it is sort of silly to bring in this sub-amendment anyway. I understand the wording is, deploring the government for not paring off huge expenditures down to \$700 million. Here we have three months left, as I say, in the budget, with most of it obviously spent because of the time of the year. So it is rather a silly sub-amendment anyway, and I would rather suspect that it was just proposed by the hon. the former Premier (Mr. Smallwood) so that he could go on for the extra time. I do not think he means it seriously. Similarly, I am not - the other motion is not really worthy of talking about because it is really coached in terms that people are trying to hide expenditures and nobody can see the expenditures, and they are hiding them under the cupboard, etc., and they are not telling the truth. So, you know, that is another quantal of fish altogether.

But I stand here, Mr. Speaker, in conclusion and state again unequivocally that I expect, the people of Newfoundland, I feel, expect that the expenditures in this Province be pared down drastically, that borrowing be cut drastically, that measures be taken to reveal

the full financial affairs such as never before so the people of Newfoundland know what the situation is, and that we make a declaration for once and for all that we are not going to get into the area of heavy industrial development which threatens to strangle the people of this Province for generations yet to come.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. Member for LaPoile.

MR. S. A. NEARY: Mr. Speaker, first of all I want to congratulate two hon. gentlemen who participated in the debate this afternoon and this evening. The hon. Member for Kilbride (Mr. Wells) I thought made a wonderful contribution to this debate when he spoke and the hon. Member for Twillingate (Mr. Smallwood) in my opinion made one of his finest speeches, Sir, in this hon. House that I have heard since I have been a member and I was with the hon. member when he was Premier of the Province for about eleven years, I think it was, I sat in this House while the hon. member was Premier of the Province.

The hon. Member for Twillingate (Mr. Smallwood), Sir, in my opinion, made a very, very fine presentation. And it seems to me, Sir, that he was doing a job that should have been done by the Minister of Finance when he brought in his Fall Budget last Monday.

MR. DOODY: Be nice.

MR. NEARY: Yes, Sir, I am going to be nice. And then it was followed up by an address to the House by the Member for Kilbride (Mr. Wells) that I thought was a very fine speech indeed. The hon. member, Sir, is learning. He has improved tremendously over the last three or four years, Sir. He seems to have served his apprenticeship, and is now ready to graduate into the class with the pros in this hon. House.

There was a high level of debating, Sir, a high level of debating. There is no question about that at all.

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: The hon. members, Sir, on the government side are almost anticipating what I am going to say, Well, I am thinking it, Sir, but I am not going to say it.

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: There was a high level of debating, Sir. There is no two ways about that. The hon. Member for Twillingate (Mr. Smallwood) I think brought home to us all, Sir, forcibly the urgent need, the urgent need for this House and for the people of this Province to take this matter of belt-tightening, retrenchment and austerity, to start

to take it serious for a change. And he was trying to get across a message that the Minister of Finance found it impossible to get across on Monday last, although we have all been trying to help the minister -

MR. DOODY: I am not that cruel. I am not -

MR. NEARY: - we have all been trying to help the Minister of Finance, Sir, in our own little way to impress upon the people the urgent need for taking this whole matter of inflation or the battle against inflation seriously, even on television on "Analysis" on Sunday afternoon I tried to help the minister the best way I could -

MR. DOODY: The Premier and I did what we could for you.

MR. NEARY: - to try to get his message across, Sir.

But, Mr. Speaker, even though the Member for Killybride made a fairly substantial contribution to the debate, and I am sure that the newer members of this hon. House, Sir, sat back in amazement when they heard the government members thumping on their desks after listening to the old master himself, the hon. Member for Twillingate (Mr. Smallwood) and then being followed up by the Member for Killybride (Mr. Wells), that the newer members, Sir, must have said to themselves, my God how can I ever stand in this House and make a speech that would equal either one of the speeches made by the hon. gentlemen. I am sure,

MR. NEARY: Sir, that all those new members in the House who are thinking about making their maiden speeches, hesitated for a moment and said, "Well maybe we should sit back for a little while and just size it up a little longer and watch some of the old hands in action before we get up and make fools of ourselves. We should not rush in. Take it easy. If we do not make it tomorrow we will make it the next day." Well I have a piece of advice for all these new members, Sir, Do not let what you heard today in this hon. House frighten you in the slightest. Do not let it scare you from making your maiden speech.

Any member of this hon. House who is thinking, any thinking Newfoundlander, anybody in the galleries that heard the hon. member from Kilbride, oh yes they would be impressed with the way he was putting together his words and the motions of his hands and his eloquence and his presentation. But, Sir, the thing that you have to ask yourself, after speaking for about two hours or two and a half hours, what was it that the hon. member said? What did he say?

The hon. minister, Sir, was speaking in a non-confidence motion, on a vote of non-confidence against the government. And the minister was giving his reasons why he was voting against this sub-amendment and in large measure against the amendment. And you would expect that gentleman, Sir, who was speaking on behalf of the government - like the Leader of the Opposition in the opening debate on the budget, the Leader of the Opposition relinquished his opportunity to speak. Today the Premier relinquished his opportunity to speak and turned it over to the member from Kilbride - and so you would expect, Sir, when this hon. gentleman was speaking on behalf of the government, you would expect him to put forward specific plans that his government have for dealing with record unemployment in this Province and for dealing with the high cost of living and inflation.

So all the new members have to do, if they were beginning to feel a little inferior, they were developing an inferiority complex, all they had to do was just listen to what the hon. member was saying. The Leader

MR. NEARY: of the Opposition referred to it in his remarks tonight. And if you will just go back, ask yourself a simple question, what did the minister say? What did the spokesman for the government say? Can any member on this hon. side of the House or on that hon. side of the House-and the speech only ended about two and a half hours ago, two hours ago- can anybody remember one specific measure, one plan that the hon. minister mentioned that would come to grips with record unemployment in this Province, the high cost of living, white collar crime and inflation? Can any member think of any one plan that the member put forward?

I will tell you what he did. I will tell you what the hon. minister did. The hon. minister got up and did what any member of this House can do, he reminisced, he lived in the past. He gave us a lecture in history. He told us what was happening over in Australia and Montreal and Toronto and New York. He did a pretty good job of summarizing all the things that have been said by hon. members of this hon. House for the last three or four years. There was nothing new in what the hon. member had to say, Sir.

I sat back, Sir, and I waited with bated breath for the minister to say

MR. NEARY:

one thing, to mention one constructive, positive idea, proposal, suggestion to deal with the serious situation that is confronting not only the people of this Province but the people of Canada and the people of North America, not one, Sir, not a single suggestion or idea.

A lot of the things that the member had to say, of course, I agreed with because I have been preaching it myself for the last three years in this hon. House. Oh, the hon. member can laugh all he wants.

MR. WELLS: The hon. member is enjoying your speech now.

MP. NEARY: The hon. member can laugh all he wants but who was it that put on the Order Paper two years ago, two years running now, two years in succession, put on the Order Paper a motion to discuss work stoppages, loss of time through strikes, illegal strikes and legal strikes and lockouts? Who is it that has been advocating a productivity council in this Province for the last three of four years and the suggestion has fallen on deaf ears? Long before the hon. member got up today and summarized the whole thing - it was just a rehash of what has been said in practically every debate that has taken place, at least that I have participated in in this hon. House for the last four or five years, a complete rehash.

Mr. Speaker, look, let me say this before I get any further advanced into my few remarks. Sir, we have been hearing a lot in the last few days about austerity, belt tightening, retrenchment, cut backs and here we are here tonight, Sir, in this hon. House in our first night session since the House met calling out the staff, I suppose, to be paid overtime. The building has to be heated, the lights have to be put on, creating, Sir, creating, Mr. Speaker, an additional expense to the taxpayers of this Province, in my opinion unnecessarily. It is not warranted, Sir. It is a waste of the taxpayers' money and it is a waste of time.

You know, Mr. Speaker, there is not - so far this session - there is not one piece of legislation before this House, not one.

AN HON. MEMBER: You have not sat down for two days.

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

MR. NEAPY: Mr. Speaker, I would gladly sit down, Sir, I would gladly sit down if there was some work to be done in this hon. House, but I might as well be up on my feet punching in an hour or two the same as the other members because that is all we are doing, Sir. There is not work being done in this hon. House so far this session, Sir. There is no work being done. And there is nothing before the House. There are no - look, Mr. Speaker, before this House opened I had called upon the Premier outside of the House and I asked the Premier to make sure that all his ministers would come into the House prepared because, Sir, one of the reasons why members have been clowning around in this hon. House for the last three or four years is that they did not have anything to do. Legislation is not prepared, and here we are back again, called into a Fall session so the Minister of Finance could present a budget. And we have been here now eight days debating back and forth and we can debate from now until Doomsday, Sir, and it will not do the people of this Province any good. We would just keep on talking, all talk and no action, no legislation before the House.

Here we are dragged back into night session by a crowd, an hon. crowd, Sir, that are talking about austerity. Well, this will cost money, Sir. The staff has to be called out, and I do not begrudge them a little bit of overtime. What for, Mr. Speaker? What good is it going to do? The member for St. John's East (Mr. Marshall) made a little speech tonight. The member for Kilbride (Mr. Wells) finished up his little talk. The Leader of the Opposition engaged in one of his usual harangues,

MR. NEARY:

and we were doing quite well. The decorum of the House, Sir, the atmosphere in the House was going quite well until the momentum was interrupted by the hon. Leader of the Opposition who had to have a flick at everybody, including me. Sir, one piece of advice I have for the Leader of the Opposition. He is a pretty good debater. He is not the best in the House. He is a fair debater. It is too bad that he does not do his homework. He just comes in with a few pieces of paper slapped on his desk and fiddles back and forth with the paper. But, Sir, one thing that he should bear in mind when he is speaking in this hon. House and that is not to be provoked by the members on the government benches because I do not know, Sir, what comes over the Leader of the Opposition when he is being interrupted by members on the government, especially, Sir, the Member for Bonavista South and especially the member for Green Bay and the hon. the Premier. There are three or four over there that really get to him. It is like waving a red flag in front of a bull. All they have - you know, I am over here, I can hardly hear the member for Bonavista South and my hearing is pretty good, Sir. I can hardly hear him but the Leader of the Opposition somehow picks it up. I do not know if he has got - what is it? biotic ear or what it is he has or biotic eye or brain or what, but he manages to pick it up and then he has to shoot back. And when the member for Bonavista South, Sir, interrupts him or passes some kind of a remark then the Leader of the Opposition is at his worst.

MR. SPEAKER: Order, please! I would ask the hon. gentleman to direct his remarks into focus of the matters under discussion.

MR. NEARY: Yes, Sir, gladly. So, anyway here we are, Mr. Speaker, in this period of austerity, belt tightening, here we are back on our first night session. And I submit to Your Honour that nothing will be accomplished as a result of this debate. Nothing will be accomplished as a result of these night sittings except it will be an added expense to the Treasury of this Province, an added expense

to the taxpayers of this Province. And you know, Mr. Speaker, -
is the minister asking a question?

MR. WELLS: Yes I am, Mr. Speaker. The hon. member said on so many occasions that he loves this House and he loves it so much that he could bring his bed in here. So really he is not really objecting to night sessions, is he?

MR. NEARY: No, Mr. Speaker, I am not objecting to night sessions, Your Honour. And that is true, Mr. Speaker. As a matter of fact I was just going to say that, that I do love this House so much so, Sir, that I would move my bed in here. But, Mr. Speaker, I would like to move my bed in when we are getting some work done and not come in and engage in foolish rhetoric that will accomplish nothing except cost the taxpayers of this Province a few more dollars. Nothing is being accomplished, Sir. We are here eight days. The ministers are still not prepared. There is still no legislation ready to be brought before the House. What was the emergency? The emergency, of course, was to let the Minister of Finance -

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: Yes, Sir. I, Mr. Speaker, if my hon. friend will remember that I wanted to get the House open, Sir, so that I could put forward some suggestions and ideas -

MR. ROUSSEAU: Like you are now.

MR. NEARY: No, I am coming to it. Just give me a chance. I have already mentioned one, the Provincial Productivity Council, which I think, Mr. Speaker, is an excellent idea and would provide maybe not the whole answer but part of the answer to the problem that was outlined by the member for Kilbride this afternoon and this evening in this hon. House. And I have a feeling, Mr. Speaker, I have a feeling that the hon. the Premier looks kindly upon my idea. I do not know why he has not gone ahead and implemented

Mr. Neary:

the idea. If he wants to change the name, fine, that is okay with me as long as he does something about this matter of productivity.

You know, Mr. Speaker, in this hon. House so far this session most members who have spoken in the various debates have fallen into the trap of thinking negatively. We have to start thinking positively for a change. You know, the hon. member can be as kind as he likes about how Newfoundland rates with the best in productivity. The member I think was a little bit scared, he sort of got over in England and talked about how unions were wrecking the economy of England. Then he went down to Australia, then he went to Montreal, and then he went down to New York. But, Sir, we may as well face the facts, Mr. Speaker, we may as well face up to it manfashion that Newfoundland has the worst record of productivity in Canada.

AN HON. MEMBER: Labour and management -

MR. NEARY: And that is not the fault of labour.

AN HON. MEMBER: Sure it is.

MR. NEARY: It is because, Mr. Speaker, that labour and management have to be re-oriented. Their attitudes have to be changed. It has to go right back to our education system, and how often have I said that in this hon. House and I hate to be repeating myself over and over and over again. But it seems, Sir, that the message is not sinking in.

And in the Budget we were told about the almost 300,000 man-days that were lost. So just about any workday in this Province, Mr. Speaker, any workday, not any day of the week, but any workday based on a five day week 1,500 people were unemployed in this Province, in a Province where we have the lowest per capita in - no, the second lowest per capita income in Canada, the highest unemployment, the highest provincial debt per capita as was pointed out this afternoon. And the administration, Sir, sits back and does not do one thing about it, and members get up one after the other and speak for one hour, two hours, an hour and a half and do not tell us what the government intends

MR. NEARY:

to do about this. They just tell us about the problem. We all know the problem is there, Sir. We do not need to be told about. What we need to be told is what does the government intend to do about it. What does the government intend to do about the record unemployment in this Province? And what does the government intend to do about this lost time through work stoppages, legal and illegal strikes and lockouts?

Mr. Speaker, when I asked the representatives of the government what they intend to do about it, I am not suggesting, Sir, for one moment that there should be a confrontation between government and labour, between government and management or between government and the people or anybody else for that matter. What I am asking the government to do is to look at this thing in a positive way. And I could think of no better idea myself as a first step to try to come to grips with this monster, this cancer that will wreck our economy unless we do something about it and that is, Sir, the idea of a Productivity Council.

Mr. Neary.

Can we for once, Sir, show the people of this Province that we mean business, that we intend to take off our coats, get down to brass tacks, and try to come to grips, and try to lick this problem of unemployment and inflation, and not just pawn it off on the Government of Canada, as the minister did this afternoon in his speech.

MR. WELLS: A request, Mr. Speaker, I have heard the hon. member speak very often about a Productivity Council. He could occupy the next ten minutes very well, and I think very usefully for the people of Newfoundland and this House if he would outline for us - I am being quite sincere in this - just how he would set it up, what the role would be that he would ascribe to management and labour and how the thing would work? Because I think we would be interested to hear that.

MR. NEARY: Well, Mr. Speaker, I thank the hon. member for giving me the opportunity to outline the details of my concept, my idea of a Productivity Council. First of all let me say that it is a very difficult task. I am aware of that. I have discussed it privately with the hon. the Premier, and the hon. Premier, although he is inclined towards the idea, is very leery about the fact that he could get good people to serve on a Provincial Productivity Council. I believe if the hon. Premier could overcome this obstacle in his mind that he might jump at the idea tomorrow and so the suggestion I am going to throw out now, thanks to the hon. member for giving me the invitation, the opportunity to say this, is that before we rush into it, maybe it is a good idea if the hon. Premier got together five or six or seven representatives of management, of labour, educators, prominent educators, get them together behind closed doors with drawn drapes, no fanfare, no publicity, dollar a year men, volunteers, no graft, no travelling involved, people who are dedicated and sincere, and who want to try to cure this cancer that we have in our society; get them together behind closed doors as a steering committee, and let these five or six or seven representatives of management and labour and prominent educators sit down and lay down the ground rules and recommend names for the setting

Mr. Neary.

up of a Provincial Productivity Council. Because, Sir, I know that probably in the Premier's mind that he cannot grasp the concept like I have myself, because I have been thinking about this for the last three or four years. It is not something that is going to be set up to rock the boat. It is not going to be something that is to be set up to take sides. It is not going to interfere with the ordinary management-labour relationship. It is not going to take away the strikes. It is not going to take the place of negotiations. It is a Productivity Council set up, Sir, to primarily change the attitude of both labour and management and of our people and to try to impress upon

MR. NEARY: our people something that the, a question I think it was that the hon. member put to the House this afternoon, what are we entitled to? What should we have? What do we deserve to have in this world? Well, Sir, we deserve to have what we earn. And you can only get what you have by working for it. That seems to be a dirty word in our society today, but we are going to have to get back to it. So the Productivity Council concept that I am thinking about would have to be assured, reasonably assured of success before it is launched and that is why I suggest that it may be better in the initial stages for the government to call together five men of good will, men of good faith, volunteers, not people who are looking for a free ride. Mr. Speaker, men like Graham Mercer, the President of the Newfoundland Board of Trade.

PREMIER MOORES: We will give him a medal.

MR. NEARY: Well, the Premier, go ahead you know - Look, if the hon. Premier wants to change the name of the Productivity Council so that I will not be identified with it, so that I will not get the credit for it - But it is a good concept, Sir. It is. I did not know the hon. Premier was in the House. But it is a good concept and I call upon every member of the hon. House, Sir, to think about it. Because, Mr. Speaker, we can think negative forever, but Sir, the economy of Newfoundland and the economy of Canada will only start to boom again, to move ahead again and our standard of living will only start to improve again when we, Sir, start to relate what we get in our pay cheques to what we produce. And unless and until, Mr. Speaker, we are prepared to do that, as my hon. friend says, the pie is getting smaller. There is not as much there, Sir, as there used to be, to take out.

You know, Mr. Speaker, you cannot get blood out of a turnip. You know with all the lockouts and the strikes that are taking place, Sir, in Newfoundland today, especially in Newfoundland, in Canada for that matter, and Canada has a pretty bad reputation today. Newfoundland is the worst in Canada so you can imagine how bad we are, Sir. But with all these strikes

MR. NEARY: that are taking place I cannot help, Mr. Speaker, but thinking of the hardship and the inconvenience that is being imposed upon the families of these workers, through no fault of their own. The families of men who have to go out and man the picket lines.

I do not know, Mr. Speaker, somehow or other to me, somehow, Sir, it seems to be uncivilized. In every place you go today you see men or women standing out in the cold or standing out in the rain, carrying the picket on strike, all kinds of slogans. They are getting better all the time. Sometimes I really enjoy reading some of the slogans, especially if it is against an employer that I do not like, you know.

But there is something, Sir, immoral about it, not from the standpoint of the union's rights and so forth, but it seems to me to be uncivilized, that people should have to go out and stand in the rain and in the cold and in the snow to fight for what they think and what they believe, Sir, is their right. I do not think that people should have to be forced into this position, Mr. Speaker. I do not know if the Productivity Council concept that I am advocating could cure it or not. It is a very difficult and complicated problem, Sir, and I am not for one minute trying to over-simplify it and when I ask the hon. the Premier a question about what the government is doing about the 300,000 or so man days that we lost so far this year and the minister gets up and answering for the government says, "Well, you know we got a pretty good reputation in labour management relations and we are not going to rock the boat. We are not going to do anything to spoil it." Sir, that is all well and good. I understand that. The minister did not have to get up and tell me that. But I still want to know what the government is going

MR. NEARY:

do about it. Sir, their reputation cannot be so good when we are having a record number of strikes in this Province and lockouts. The system cannot be working. You know, Mr. Speaker, you talk about federal wage and price controls. I am convinced in my own mind, Sir, that the average person does not believe that there is any need for wage and price controls, that it has not changed peoples' attitudes one bit.

Could I move the adjournment of the debate, Mr. Speaker?

MR. WELLS: Mr. Speaker, I would move that this House do now adjourn until three of the clock tomorrow afternoon, Wednesday.

MR. SPEAKER: It is moved and seconded that this adjourn until 3:00 p.m. tomorrow afternoon. Those in favour "aye", contrary "nay", carried. The House is now adjourned until tomorrow at 3:00 p.m.

On motion the House adjourned until tomorrow, Wednesday,
December 4, 1975 at 3:00 p.m.

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