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**VERBATIM REPORT**

**THURSDAY, DECEMBER 4, 1975**

**SPEAKER; THE HONOURABLE GERALD RYAN OTTENHEIMER**

NOTICES OF MOTION:

MR. SPEAKER: The hon. Minister of Justice.

HON. T. A. HICKMAN (Minister of Justice): I give notice that I will on tomorrow ask leave to introduce a bill, "An Act To Provide For The Restructuring Of The Anglican Diocese Of Newfoundland," and also, a bill, "An Act Further To Amend The Summary Jurisdiction Act;"

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

HON. B. PECKFORD (Minister of Municipal Affairs and Housing): Mr. Speaker, I would like to revert to notices.

MR. SPEAKER: Does the hon. minister have leave to revert to Notices of Motion? It is agreed.

MR. PECKFORD: Mr. Speaker, I give notice that I will on tomorrow ask leave to introduce a bill, "An Act To Empower The St. John's Municipal Council To Raise A Loan For Municipal Purposes By The Issue Of Bonds."

ANSWERS TO QUESTIONS FOR WHICH NOTICE HAS BEEN GIVEN:

MR. SPEAKER: The hon. Minister without Portfolio.

HON. R. WELLS ( Minister without Portfolio): Mr. Speaker, I would like to enlarge somewhat on the very brief answer given yesterday when a question was asked by the hon. the member for Eagle River (Mr. Strachan). This concerns the Gull Island project.

Since yesterday, Mr. Speaker, we have had an opportunity to be briefed fully by the member for Naskaupí (Mr. Goudie) and by the Newfoundland Hydro Corporation which, of course, are involved in this matter, and I would like to take a moment, Mr. Speaker, to outline the facts as I understand them. There were three contracts let in the Gull Island area. One was a contract for a piece of road which was let to the O'Connell Company, and that contract we are informed has been completed so that we do not have to concern ourselves with it. The two contracts with which we are concerned were: (1) The road contract of Lundrigans Limited, working on the road from Goose Bay to the Gull Island site.

Mr. Wells.

That contract has been about ninety per cent completed. This is the estimate of Lundrigans Limited and also the estimate of the Hydro Corporation. The amount of work that is left of that contract is insignificant, and does not affect, injuriously affect any project that might be going on in the area or any persons in the area. The reason for that is, Mr. Speaker, is that there is a small loop road belonging to Labrador Linerboard Limited which takes in the area which the contract was to - as it were, go straight across. So the new road was to have been straight across a small piece of territory, but the loop goes around it, so that it still can be used. When the decision was taken by the government to delay the Gull Island project for a year, then, of course, the Hydro Corporation, through the consultants, informed Lundrigans, and I think we must remember also, Mr. Speaker, that Lundrigans Limited were intended and intended themselves to be finished this contract in any event by the 19th of December. But because of the impending freeze up in Labrador, it was thought wise to bring this matter fully to the attention of Lundrigans Limited. That was done, and Lundrigans Limited are in the process themselves of making arrangements to get some of their equipment out into other parts of Labrador or out of Labrador so that it would not be frozen up all winter and remain idle. So that is the question with respect to the road contract. As I say, nobody is hampered or hindered or prejudiced by the stopping of that contract. It was virtually finished anyhow.

With regard to the second contract to Lundrigans Limited was the contract to build the large camps which are necessary in the area. Unlike the road contract, Mr. Speaker, that contract had hardly been begun. It is estimated that perhaps as much as ten per cent of the work had been completed but that is a conservative estimate and it was probably less than that. So that it was felt, and I think wisely, Mr. Speaker, that rather than carry on with that contract and build a camp which would not be necessary for the coming immediate months,

that it was better and adequate to rely on the camps that were already in the area and to defer the construction of the large new campsite until the project is ready to proceed. Otherwise,

Mr. Wells:

Mr. Speaker, the camps would be there in the area, built and finished before the project is ready to proceed and would be subject to the usual deterioration which occurs when a building is not ready for use but has been completed. So it was felt in the interest of the wise expenditure of money that it was better to defer that project until the whole Gull Island project begins to move ahead again.

There is the other matter, of course, which was raised by my hon. friend across the House yesterday, and that is the disadvantage to business firms and persons who might be put out of work in the area by reason of these decisions. I might say, Mr. Speaker, that the government is concerned and cognizant of this. Every effort, of course, has been made and will be made by the Hydro Corporation to ensure that the least disruption possible takes effect. To that end it is planned by government immediately, and when I say immediately I mean within a matter of three, four, five days, to arrange a series of meetings between government, Hydro and the people of the Goose Bay-Happy Valley area so that they can be fully briefed on the nature of the delay, the possible expectations as to duration of the delay and also that they can be fully briefed, and I mean both the individuals who may be concerned with jobs, also the businesses which may be concerned with work which would normally come out of this project, so that both, every interested person can be fully briefed not only on the delay of the Gull Island phase of the project, but also on the phases of the project which will be continuing, namely, the transmission line and the tunnel, and, of course, by transmission line I feel also I should include, and the government should include, the transmission line which is absolutely vital in the interests of the Labrador part of the Province, and that is the transmission line which will go down into Goose Bay-Happy Valley.

So that is the position, Mr. Speaker. And we feel that it would be better for these meetings to take place in Goose Bay-Happy Valley rather than in St. John's. To that end we feel that a number of

Mr. Wells:

high ranking government people and Hydro people should visit, and will visit Goose Bay after the appropriate arrangements have been made, but within the next few days to give a very thorough briefing on this whole matter. Thank you, Mr. Speaker.

MR. SPEAKER: It has just come to my attention that there are seven young students from Grades IX, X, and XI from Francois in the galleries and they are accompanied by their teacher Mr. Hugh McGettigan. I hope that all hon. members join me in welcoming them to the House of Assembly and in wishing them a stay which will be interesting and instructive.

HON. MEMBERS: Hear, hear!

MR. DOODY: Mr. Speaker, I do not know if I am quite in order or not. I would like to ask the Leader of the House to revert to Order 3, the Presenting Of Reports By Standing And Special Committees, this is the second annual report of the Newfoundland Liquor Licencing Board, -

MR. SPEAKER: Does the hon. minister have leave to revert? Agreed!

MR. DOODY: - and it is a matter of getting it on the Table. It answers a lot of the questions, I think, that have been on the Order Paper about who owns which lounges, and how many have been issued, and what the data and statistics and so on are on the Liquor Licencing Board. And with your permission, Sir, I would like to table that report.

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MR. NEARY: Mr. Speaker, could I -

MR. SPEAKER: Order, please! The hon. Member for LaPoile. Just a moment please I am not sure whether the hon. Minister was rising on a point of order or privilege or on what,

MR. PECKFORD: I was on answers to questions for which notice had been given.

MR. SPEAKER: Does the hon. gentleman have leave to revert?

SOME HON. MEMBER: Agreed.

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

MR. PECKFORD: Two oral questions that were asked to me a couple of days ago, Mr. Speaker, one by the hon. Member from Conception Bay South (Mr. Nolan) relating to the designer fees on the water and sewer project in Conception Bay South. I would like to table the answer to that question. And secondly, reply, if I may go on, to an oral question asked by the hon. Member for Eagle River (Mr. Strachan) I guess, concerning the incorporation of Rigolet. The incorporation of Rigolet has been deferred until the Spring of 1976 as have all requests for incorporations from around the Province at which time they will be reviewed. Any incorporations that had been committed, those commitments will be lived up to, if you will, but any new ones that were on the board just this year are being deferred until the Spring of 1976.

ORAL QUESTIONS:

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

MP. NEARY: Mr. Speaker, I would like to put a question to the Minister of Tourism, Sir. Would the minister inform the House if it is correct or not that the Norma and Gladys will terminate her voyage at Panama? While the minister is on his feet, would he also tell the House how many of the original crew are still on the Norma and Gladys, if they will be flown home for Christmas, or if any of them have quit in Panama and come back home? Just what is the status now of the long voyage, the colorful voyage of the Norma and Gladys?

MP. SPEAKER: The hon. Minister of Tourism.

MR. HICKEY: Mr. Speaker, -

MR. MORGAN: Here comes a detailed explanation.

MP. HICKEY: - let me first of all say, Sir, that the voyage is still on -

AN HON. MEMBER: Hear! Hear!

MP. HICKEY: - bigger and better than ever.

SOME HON. MEMBERS: Hear! Hear!

MR. PFCKFORD: Keeping her sails up.

MR. HICKEY: I hope to be able to give the House details because I know it is a very interesting project to all hon. members especially. I hope to be able to provide complete details, possibly tomorrow, if not certainly by Monday as to the continuation of the voyage and maybe a short progress report to date.

With regards to the other part of the question, I cannot tell the hon. member exactly - I certainly can check and find out - but I can say, Mr. Speaker, that to my knowledge three people that were on board are not now there. One, I recall, came home because of sickness in the family. The other two I would not want to say exactly why they are not aboard, except to say, Mr. Speaker, that I or any of my staff have no control over who is on board that vessel or for how long because that authority, the captain has absolute authority, absolute freedom -

SOME HON. MEMBERS: Hear! Hear!



MP. HICKEY: - to hire or dismiss and therefore we have nothing to do with the matter, and certainly we are never going to suggest to the captain that he hire someone or keep someone or do anything else. He is in command and nobody else.

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

MR. NEARY: What about the crew coming home for Christmas?

MP. HICKEY: Mr. Speaker, I have no knowledge -

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

The hon. member for Burgeo-Bay D'Espoir (Mr. Simmons) has the floor.

MR. SIMMONS: Thank you, Mr. Speaker. I have a question for the Minister of Forestry and Agriculture. I understand that he has recently been acquainted with the fact that the timber stands in Bay D'Espoir which are accessible by road to the Conne River mill are limited to the point that, I understand, they will run out of timber supply, a cutting supply, within about three months. I believe he has been acquainted with that information. I am wondering if he could brief the House as to what steps his department will be taking to ensure they have a continued timber supply?

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

MR. POUSSEAU: Mr. Speaker, I had what I thought was a confidential meeting with the Conne River sawmill enterprises people this morning, but, apparently I had not had that confidential meeting. We had a discussion this morning about it. Some questions were raised by the people operating the sawmill enterprise and I undertook certain commitments to them that I think at this point in time it is not advisable to make known. But if as the hon. member has suggested they have some concerns about the near term supply of wood, - and I think in all of my replies I suggested the term that I am advised - I never once myself said that that is the case, and I think throughout the whole situation that has occurred down there, that I have always suggested that we think it is a successful enterprise. We certainly do not want to see any termination of it nor close down.

Certain points were brought to my attention as suggested by the hon. member for the district this morning. We certainly intend

to check them out. We will have somebody go down in the area. And I made the commitment to the people this morning that I would be back to them by the end of next week, obviously to determine whether or not they have a problem with regard to immediate supply of wood. So sometime by the end of next week, or sometime during the next week, I should be in a position to tell them. I am advised that they have sufficient wood down there. They suggested this morning they did not. So, until I have somebody go down in the area and meet with them and go in and see just what the problem is there, I am not in a position to more fully answer the question. But, I will be towards the end of next week, by the end of next week, possibly sometime during the week.

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, I have a question for the Minister of Justice, Sir. Would the Minister of Justice indicate to the House if there is any significance to sending additional R.C.M.P. personnel to Happy Valley - Goose Bay? Why is it necessary to beef up the detachment down there, the biggest in Newfoundland?

MR. SPEAKER: The hon. Minister of Justice.

HON. T.A. HICKMAN: Mr. Speaker, I was not aware that there have been any additional men sent to the Goose Bay detachment of the RCMP, but they do not have to consult with me if they want to increase their detachment. May I say that I have had very strong representation during the past two or three years from that area that we should insure that there be a sufficiently large number of men stationed there to look after the policing requirements of the entire area. The reports that I have received during the past year or so from the former member for Labrador North, Mr. Woodward, and from one or two community leaders in the area is that the liaison between the RCMP in Goose Bay, Labrador is of the highest calibre and that they are very happy indeed with the law enforcement agency in Goose Bay, Labrador.

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

MR. F. ROWE: Mr. Speaker, my question is to the House Leader as a result of his ministerial statement. Am I correct in understanding that it was Lundrigan's decision to stop the work or terminate the work on the road from Goose Bay to the Gull Island site?

MR. SPEAKER: The hon. minister.

MR. WELLS: As best I understand the matter, Mr. Speaker, it was the decisions which was taken by the Hydro Corporation but in consultation with Lundrigan's so that Lundrigan's would not be prejudiced and would be given an opportunity to phase down their operation in the area.

MR. ROWE: A supplementary, Mr. Speaker: Could the minister indicate

exactly or approximately, I guess, how many men have been laid off on that particular project, that is the road project from Goose Bay to Gull Island, and also at the time indicate to the House, Sir, how many people are being laid off as a result of the termination of the work on the campsite of Gull Island?

MR. WELLS: No, Mr. Speaker, that is information that I have not got at the moment and I am quite sure we could get it from Lundrigan's Limited as these men would be on their payroll. Insofar as the road work is concerned, I understand that Lundrigan's had phased down their operation as the contract was nearly completed and should have been completed in any event by December 19th. But I can certainly endeavour to either through the appropriate department or through the Hydro Corporation ask Lundrigan's Limited if they would supply that figure to us.

MR. ROWE: A further supplementary, Mr. Speaker: Would the minister while he is doing that undertake to find out how many companies under contract with Newfoundland and Labrador Hydro or associated in any way with the Gull Island site, how many companies have laid off men or will be laying off men and how many men will be involved?

MR. WELLS: On a point of clarification, Mr. Speaker. Would the hon. member want me to, or government to draw a distinction in giving the figures between those who would have been laid off anyway and those who may be laid off by reason of the phase down. Is that what the hon. member is speaking of?

MR. ROWE: Mr. Speaker, if I could reply, I think that would be very useful information. Essentially what we are trying to find out is how many people are being laid off as a result of the deferment on the Gull Island project? That is basically what we are trying to find out. How many people are going to be laid off by Lundrigan's or any other company associated with the Gull Island project. And as a further supplementary, if I may, Mr. Speaker, could I -

MR. ROBERTS: Who is asking and who is answering now? Have the two of you settled this out?

MR. ROWE: I was just explaining, Mr. Speaker, to the hon. the House Leader what I meant by my question and I said that the information that we asked for would be useful, an actual breakdown as to who would be laid off anyway and who would be laid off as a result of the termination of the contracts as a result of the deferment of the Gull Island site work. The supplementary, if I may, Mr. Speaker, while I am still on my feet is, could the minister also, I guess he would not have the information on hand, find out for the House what equipment is in transit to the Gull Island site? It is my understanding that at least one firm has shipped a considerable quantity of electrical appliances to the site. It is in shipment. Would the minister undertake to find out exactly how much equipment, what equipment is in transit or has been shipped to the Gull Island site and what would happen to that during the deferment period?

MR. WELLS: companies so that we will be able to find out?

MR. ROWE: Mr. Speaker, I would love to be in the ministry, be a Minister of the Crown to answer the hon. member's question, but privately I would be happy to indicate to the minister the name of at least one company. But I am more interested in finding out, you know, what other companies have in fact sent material to the Gull Island site and what is going to happen to that equipment or material or appliances this year or the next eighteen months or twenty-four months or thirty-six months. Is it a loss of money to the Province? Is Newfoundland and Labrador Hydro going to pay for this material and is it going to deteriorate over the years?

MR. WELLS: Let me say in response to that, Mr. Speaker, that there are two positions really involved in all this. One is the legal position between Newfoundland Hydro and any people with whom it may have contracted. If a contract has to be phased down, a contract that has been entered into, well of course there is a mechanism between the contractor and the contractee to sort out this and arrive at any fee or charges or penalties that may be involved.

In other cases of course, it would be extremely nebulous to determine whether a person in fact had hopes of a job or hopes of supplying something.

The hon. member's question, Mr. Speaker, is somewhat vague. I would appreciate it if he could tell us who he is talking about, what business and it would help me very much to -

MR. ROWE: Okay. I will do so privately.

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, I would like to put a question to the Minister of Transportation and Communications. Would the minister inform the House if he has yet finished his investigation into why the icebreaker, federal icebreaker, was pulled out of Happy Valley before the CN coastal boats had an opportunity to unload their freight and if so would the minister tell the House the reasons behind their leaving so quickly?

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

MR. MORGAN: Mr. Speaker, after receiving enquiries from the Happy Valley Town Council and the Chamber of Commerce, Labrador North, my department contacted the CNR to determine if the information that we had received from the residents was correct, that the boats left the Goose Bay area more than half loaded, the Glencoe and the Bonavista. To date we have not received the information from the CNR to confirm this. We are hoping to get the information within the next number of hours and when we do get the information, if it is correct, my department and myself will be making representation to the Federal Ministry of Transport to determine why the icebreaker left the area without apparently making attempts to keep the channel open.

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: A supplementary question, Mr. Speaker. Would the minister inform the House if shipping in and out of Happy Valley is now complete for the year and if it is would the minister tell the House how it is going to be possible for Lundrigans or any other company to get their equipment out of Labrador if shipping is finished for the year?

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

MR. MORGAN: Mr. Speaker, these two CNR boats were the last boats scheduled for this Fall to provide boat transportation to the Goose Bay area but the road from Esker Railway Station across to Goose Bay right now can accommodate transportation of goods into the Gull and Churchill Falls and I assume if they do move equipment from the area, if they do, they will use that means of transportation.

MR. WELLS: Mr. Speaker, my learned, my colleague is quite -

MR. NEARY: Un-learned, not learned.

MR. WELLS: We are in another forum now. But my colleague is quite right in that Lundrigans Limited I understand are now in the process of moving some of their equipment across that Esker route.

MR. NEARY: Mr. Speaker, I wonder if the Minister of Municipal Affairs and Housing, Sir, could tell the House if the government intends to proceed with its plan to incorporate the community of Burnt Islands into a

MR. NEARY: local improvement district or is the matter being deferred and what form of municipal government will Burnt Islands now have as a result of the government's new policy?

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



Mr. Peckford.

Mr. Speaker, many months ago the people of Brunt Islands requested some municipal status and at that time they were eager to incorporate as a Local Improvement District. As they went down the road towards that kind of incorporation it became evident that not everybody in the settlement or community would be satisfied with that kind of municipal government. And secondly, because of the recently released report on municipal government in the Province, the Department of Municipal Affairs had indicated, by telegram, to the committee who instigated the incorporation that we would not consider at this time incorporating Burnt Islands as a Local Improvement District nor are we in favour of incorporating any other settlements in the Province with that kind of municipal status but rather we would undertake to incorporate Burnt Islands as a town council if and when the proper procedures were carried out by the local residents. Because a commitment had already been made to the people of Burnt Islands some time ago, long before any new policy of no more incorporations, we would proceed with the proper process having been gone through by the people to incorporate that settlement as a town council.

MR. NEARY: I thank the hon. minister for his answer, Sir. I would like to direct a question to the Minister without Portfolio, the Government House Leader, in the absence of the Minister of Intergovernmental Affairs, Sir. Would the minister tell the House what action his government has taken to strongly object to the closing of the airport tower at Happy Valley - Goose Bay, if the government has taken any action on this matter?

MR. SPEAKER: The hon. Minister without Portfolio.

MR. WELLS: I only know, Mr. Speaker, that continuing meetings have been going on between the department and the Minister of Intergovernmental Affairs and the appropriate department in Ottawa, which in the case of the tower, of course, would be the Department of Transport, the Ministry of Transport. What stage they are at, that I do not know, but we can endeavour to find out for the hon. member.

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

MR. F. ROWE: Mr. Speaker, my question is to the Minister of Education as a result of an answer to a question that I asked a couple of days ago, and he answered yesterday, where he indicated that the boards have their own regulations with respect to school assessments. Is the minister giving any consideration to making the regulations regarding the collection of assessments and back assessments, making these regulations consistent with the regulations for School Tax Authorities and, therefore, make people who are being assessed, make the formula more equitable and fair? Because under the present circumstances I feel that the people who are being assessed are being discriminated against.

MR. SPEAKER: Order, please!

I think the hon. gentleman has already asked the question part.

The hon. Minister of Education.

HON. W. HOUSE (Minister of Education): Mr. Speaker, that would require legislation. The legislation states now that the boards may use their discretion in these matters. But we are discussing it with the Federation of School Boards, and hopefully it will be dealt with through these channels. So there are discussions on it.

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, I would like to direct a question to the Minister of Education, Sir. Would the minister tell the House whether or not the investigation that is being done into the Salt Pond Vocational School is yet complete? If there is a special investigation being conducted into the affairs of the Stephenville Vocational School or upgrading centre? And if there is a special audit or investigation going on in any other of the vocational schools throughout Newfoundland and Labrador?

MR. SPEAKER: The hon. Minister of Education.

MR. HOUSE: Mr. Speaker, I do not know who should answer this, myself or the Minister of Justice. There has been an investigation into the Salt Pond School, and the police investigation, I understand, has been completed or just about completed and that is being dealt with by the Department of Justice. There is another investigation into another school. There is a police investigation into the school in Stephenville, the upgrading school at Stephenville. That is incomplete as yet.

MR. NEARY: That is the only other school?

MR. HOUSE: Yes.

MR. NEARY: Mr. Speaker, I would like to direct a question to the Minister of Justice, Sir. Would the minister tell the House if his government has taken any action to launch a full-fledged inquiry under the Public Enquiries Act into the transfers of properties in Newfoundland and St. John's especially and in the Province as a whole over the last five years involving second mortgage companies, real estate firms and agents and certain lawyers in downtown St. John's?

MR. SPEAKER: The hon. Minister of Justice.

MR. HICKMAN: No, Mr. Speaker, we have not nor have we seen any evidence which would indicate the broad, sweeping statement just made by the hon. gentleman for LaPoile (Mr. Neary). May I assure this House that every case that has been reported by the department responsible for the administration of the legislation governing the trading of real estate in this Province has been investigated vigorously, and wherever the evidence warrants, prosecutions have been taken and will be taken.

MR. NEARY: Mr. Speaker, a supplementary question to the minister. Is the minister aware that his own Crown attorney made a public statement to the effect that this fraudulent -

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

I believe the question is now being phrased which would tend to bring in points of debate.

MR. NEARY: Well, Mr. Speaker, maybe I can rephrase the question, Sir. Is the minister aware that his own Crown prosecutor made statements to the effect that this practice is widespread and should warrant an investigation?

MR. HICKMAN: No, Mr. Speaker, I am not aware of that. I am aware of the fact that the Crown prosecutor, enjoying freedom heretofore unknown in this Province, did state that other prosecutions may be taken if the evidence so indicates and that -

MR. NEARY: He said the fraudulent practice was widespread.

MR. HICKMAN: - in his opinion there are two or three cases where prosecutions will be instituted. I repeat so that there can be no misunderstanding, that whenever evidence comes to my department, and it does not come to me personally but comes to a Crown prosecutor, that if the evidence shows that there has been a breach of the law, that without delay prosecutions have been taken and will be taken and will be prosecuted vigorously.

MR. NEARY: But who has the onus of responsibility of seeing that the law is carried out?

MR. HICKMAN: The onus of responsibility vests with me as Minister of Justice, Mr. Speaker. May I assure this House that it is being discharged

quickly, fairly and without fear or favour to anyone.

SOME HON. MEMBERS: Hear! Hear!

MT. SPEAKER: The hon. member of Trinity-Bay de Verde (Mr. F. Rowe).

MP. F. POWE: I would like to direct a question to the Minister of Municipal Affairs and Housing, Mr. Speaker. I believe my colleague, the member for Lewisporte (Mr. White) on the Order Paper relating to artesian wells, but I have specific question that can wait no longer. Is the minister aware of the fact that there are a number of artesian wells drilled, particularly in the district of Trinity-Bay de Verde and I would expect throughout the Province, drilled that have a pump installed and a light meter installed, but for which there have been no distribution lines laid to the homes, and the people have to pay for the light bill but they do not have water coming to their homes because their distribution lines are not installed? Are you aware of this?

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

MP. PECKFORD: Yes, Mr. Speaker, I am aware that there are quite a few wells around the Province, artesian wells that are drilled that have no pump houses on them. I am also aware that there are artesian wells drilled around the Province that have pump houses on them, and other places where there are artesian wells drilled with pump houses with partial distribution lines to some of the houses in the communities concerned. Consequently we have a substantial amount of money needed to either complete pump houses or to begin putting distribution lines into houses. The answer as to if I am aware of it is yes. What can be done about it, which could quite conceivably be a supplementary, is that we cannot, we can do very little about it until 1976 when a new capital budget for the water services division of the Department of Municipal Affairs is okayed by government so that we can go ahead and finish some of the projects that have begun in 1975.

MP. SPEAKER: The hon. Minister of Finance - I correct the hon. gentleman - has been indicating for some time that he wishes, I presume, to ask a question.

MR. DOODY: It is not really a question, Sir, it is a correction to an answer that I gave the hon. member for LaPoile (Mr. Neary) yesterday. I think that I missed the -

MR. NEARY: You are forgiven. It is the first time you have made a mistake.

SOME HON. MEMBERS: Hear! Hear!

MR. DOODY: The hon. member asked a question relative to the situation with the employees at Waterford Hospital and I indicated to him that we had no knowledge to the situation to which he referred. In effect Sir, there are two separate situations. One is the collective agreement which we had already entered into with the employees at the hospital. There was an outstanding question on that on contact pay which was referred back to the conciliation board and on which the chairman and his colleagues, Mr. Easton and his people, have now reported to government and to the union on, and both sides are now studying it. I think that this was the report to which the hon. member was referring.

I answered in terms of another situation at the Waterford Hospital which is a pensions problem which Professor Dyer

MR. DOODY: has been engaged by government to look into and that one had not arrived on my desk up to that time. I misinterpreted it.

MR. NEARY: Does the minister have a report on it?

MR. DOODY: It arrived yesterday.

MR. NEARY: Is the minister going to table it?

MR. DOODY: Well the minister is going to read it first and then the minister will decide whether -

MR. NEARY: Table it after.

MR. DOODY: - he will table it or not. That is one of the prerogatives of a minister. So, Sir, I just wanted to correct the record. I did not want to have the hon. member feel that I was trying to deliberately -

MR. NEARY: You are forgiven this time but do not let it happen again.

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

MR. ROWE: Mr. Speaker, I thank the Minister of Municipal Affairs and Housing for answering my anticipated supplementary and since he has answered it would he now avail himself of the services of Newfoundland Information Services and announce to the whole of Newfoundland that no money will be made available for further distribution -

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

MR. ROWE: No, I am serious, Mr. Speaker, and I will give the reasons.

MR. SPEAKER: Order, please!

SOME HON. MEMBERS: Oh, oh!

MR. ROWE: Is there a point of order, Mr. Speaker?

MR. SPEAKER: Yes, the hon. gentleman should take his seat.

MR. ROBERTS: He has called you to order.

MR. SPEAKER: The question being put by the hon. gentleman was in my opinion, out of order.

MR. ROWE: Mr. Speaker, may I attempt to rephrase the question -

MR. SPEAKER: Ask another question? Yes.

MR. ROWE: And I am doing it on behalf of hon. members opposite. I am asking the question that would the minister make public the statement that he has made here today in order to save a great number of phone calls and letters

coming from constituents with respect to these artesian wells? That is the simple question I wish to ask.

MR. WELLS: A point of order, Mr. Speaker. If the hon. member has made a statement here today then it has been made public, There could be no more public place.

MR. NEARY: I put a question to the Minister of Transportation and Communications, Sir. Would the minister inform the House what action the government is going to take on badly needed improvements to the cable car across Northwest River?

MR. MORGAN: Mr. Speaker, I am fully aware of the needs for improvements on the cable car after carrying out first of all an inspection by the engineers in my department approximately two weeks ago in conjunction with the inspectors from the Department of Manpower and Industrial Relations under The Elevators Act, and also from my own personal inspection last weekend. I am quite aware of the situation and improvements will be carried out in the near future.

SOME HON. MEMBERS: Hear! Hear!

MR. SPEAKER: The hon. member for Burgeo-Bay d'Espoir.

MR. SIMMONS: Mr. Speaker, a question for the Minister of Education, I understand there has been a fair amount of confusion in education circles as to the implications of the decision not to go ahead with the final phase of the pupil-teacher ratio, the new formula. I wonder would the minister indicate whether there will be any net reduction in the present teaching staff as a result of the decision not to proceed?

MR. SPEAKER: The hon. Minister of Education.

MR. HOUSE: As I understand it, the clause 13 in the regulations governing, states something to the effect that until the population goes below twenty-five to one there will be no loss of present staff. That is what I have been saying, Mr. Speaker. I think there is something like 313 pupils less this year than there was last year throughout the Province. Some boards are up and some are down. That clause 13, that has been in effect this past two years. As far as I know it is still in effect.



MR. SIMMONS: Supplementary, Mr. Speaker, in effect the minister agreed that there may be districts which may suffer a net loss in enrollment this year, so that -

SOME HON. MEMBERS: Oh, oh!

MR. SMALLWOOD: Throughout the whole Province.

MR. SIMMONS: Mr. Speaker, a supplementary: Do I understand from the minister that there will not be any net reduction in the teaching staff this year as a result of the government's decision not to proceed with the final phase as it effects teacher-pupil ratio?

MR. DOODY: The hon. member was -

MR. SPEAKER: Before the hon. minister answers I have to point out that we are at the end of the oral question period but I do not wish to leave the hon. minister in the position there and I certainly would allow him to answer the question.

MR. HOUSE: I just want to say that if a board went below its status it will loose teachers, if it went below that twenty-five to one that was anticipated, if it went below that. That is all.

MR. SMALLWOOD: Are there fewer students in the whole Province this year?

MR. HOUSE: Yes, 331 fewer this year than last.

MR. SMALLWOOD: In the whole Province?

MR. HOUSE: Yes.

MR. SMALLWOOD: In all classes?

ORDERS OF THE DAY

MR. WELLS: Order 3.

MR. SPEAKER: Order 3 - Committee of Ways and Means, the adjourned debate on the sub-amendment. Before the hon. gentleman picks up - I realize that he adjourned the debate - I was going to ask for the guidance of hon. members in this respect, Frequently when people are speaking and they get close to the forty-five minutes then whoever is in the Chair obviously wishes to inform them, and one does not like to interrupt in the middle of a sentence and wait for a natural pause and sometimes there is no natural pause or hon. members are being extremely fluent. What I was going to suggest is that one of the officers at the Chair would send the hon. member a note to the effect that there was five minutes left. Is that an agreeable procedure?

SOME HON. MEMBERS: Agreed.

MR. SPEAKER: The hon. Member from LaPoile.

MR. NEARY: Would Your Honour tell me how much time I have left, please?

AN HON. MEMBER: Fifty.

MR. NEARY: No. I got about twenty-five minutes I think.

AN HON. MEMBER: Fifty.

MR. SPEAKER: Fifteen, I understand.

MR. NEARY: Well, Mr. Speaker, when I adjourned the debate on Tuesday, I think it was, there are so many major debates before the House now, Sir, that I do not know if the other members are as confused as I am, but it is a job to keep up with what debate we are now. And today we are on the sub-amendment in case it escapes members' attention, we are on the sub-amendment to the amendment to the Budget Speech, the main motion. The motion is that we adopt - or that Your Honour leave the Chair and we debate Ways and Means.

Mr. Neary:

Mr. Speaker, again I am - the way that the amendments are being put this session, Sir, leaves a fellow like myself in a very difficult position, because you really do not know whether you should support the amendments or not. I intend to speak separately, Sir, on the amendment that was moved by the Leader of the Opposition and I may be persuaded to support that amendment. I may be. I have to hear further argument on it but as of this moment I believe I will have to support the amendment moved by the Leader of the Opposition, not because I want to, Sir, it is very vague and indefinite, but I will give my reasons when I speak in that particular debate why I am supporting that particular amendment. And I am almost tempted, Sir, to support the sub-amendment because there are so many examples, Sir, of why, in my opinion, the government have borrowed unnecessarily, or, as the sub-amendment states, inordinate swelling of borrowing on the part of the government. When I first heard that I thought it was some kind of a disease, inordinate swelling. I was going to call upon my hon. friend the Member for Humber East, is it? Or Humber West?

AN HON. MEMBER: Humber East.

MR. NEARY: Humber East - to explain to me what was meant by inordinate swelling. I thought it was - the government was getting the gout.

DR. FARRELL: There are other forms of inordinate swelling

MR. NEARY: There are other forms of inordinate swelling. Well what part of your anatomy?

DR. FARRELL: Around the abdomen.

MR. NEARY: Around the abdomen.

DR. FARRELL: Yes.

MR. NEARY: I could think of another name for it, Sir, but nevertheless it is a very good description. It is a very good description, Sir, of the government's policy that they have had for the last three or four years of borrowing. My hon. friend from Twillingate (Mr. Smallwood) must have stayed awake at night, Sir, trying to figure out the proper wording, and it finally dawned on him something that could really appeal to the news media and to the people of the Province, inordinate

swelling, and that could almost apply to anything, Sir, but it is a very good description. But nevertheless, Mr. Speaker, even though I realize that this government has been on a wild spending spree for the last three or four years, and that they have refused to compel Memorial University that is whipping \$35 million out of the public treasury this year, that they have refused to ask the University to give this House a detailed account of how they are spending that \$35 million. And that would be reason enough, I suppose, Mr. Speaker, for voting in favour of the amendment.

You know, I have given the House, Sir, all kinds of reasons why they should withhold money from the University,

MR. NEARY:

not give them another red cent until they disclose how they spend that money. But nevertheless, Sir, they do not seem to care. They are still passing it over on a blank cheque basis to the university and as a result, Sir, our university this year, so far, have had three convocations, three convocations, and people flown in from all over the world to get their honorary degrees and their honorary doctorates. I remember a picture on the front page of the Daily News of the hon. Premier out in Corner Brook getting his honorary degree. I do not know what the degree was in. Perhaps my colleague - in law, an honorary degree in law. But what amused me about it was this particular thing he had on his head. It looked like a big, flat cow's dung, Sir, dried up that was laid on the top of his skull. There are people, Sir, in this world who should never wear a hat and I am afraid that the hon. the Premier is one of them. I may get an honorary degree in law, Sir, but I doubt it very much. I have a better chance to get an honorary degree in political science than I do in law. But they had three convocations, Sir. What a waste of the taxpayers' money, flying people in from all over the world, big banquets, all kinds of expenses involved to bring people to get their honorary degrees, three. They could have done it in one. They did not have to have a convocation in Corner Brook to open that Regional College. I think they could have managed to get it open without all that extravagance and waste. And that is why I say, Sir, that - you know, \$35 million is a lot of do-re-me. It is a lot of francs. It is our money. It is the people's money and the people have a right to know how that money is being spent.

Anyway, Mr. Speaker, having used all kinds of reasoning and arguments of why I feel I should vote in favour of the amendment, I still find it very difficult indeed to support the amendment because it would handcuff the government of this Province and rob it of the opportunity to exercise its own good judgment in future borrowing, even, Mr. Speaker, if our present load of debt per capita is greater

MR. NEARY:

than any other Province of Canada and even, Mr. Speaker, if our credit position in the money markets of the world puts us in the position of having to pay higher rates of interest than any other Province in Canada. I do feel, Sir, and I have felt all along that the ousting of BRINCo from the Churchill Falls Corporation was poorly staged, poorly timed and resulted in a non-warranted burden to the provincial taxpayer. But, Mr. Speaker, there is no point in this House or anybody else crying over spilled milk at Churchill Falls or for that matter at Stephenville or at Burgeo or around Conception Bay, with beauty parlors and funeral homes and so on. That milk, Sir, as far as I am concerned is water under the bridge and I hope that now in the closing months of 1975 that the present administration will have learned its lesson and think twice or even a hundred times, Mr. Speaker, before adding another single dollar to the provincial debt.

What we have to do now, Mr. Speaker, is to try and repair the damage that has been done to the credit of this Province, try to repair the damage that has been caused by all the mistakes that have been made by the administration over the last three or four years. And I do hope, Sir, as my hon. friend from Twillingate (Mr. Smallwood), that it is not too late to rectify these mistakes, that it is not too late to get our finances back in order, because like the hon. gentleman from Twillingate, Sir, I would hate to see the Province have the doors of the financial institutions of this world, the banks and the bond houses, I would not like to see these doors closed to the Minister of Finance and to the government and to the people of this Province. That is a very great possibility, as my hon. friend pointed out in his great speech the other day.

MR. NEARY: It has happened before, Sir, and I hope that it will not happen again, when our Minister of Finance and the administration approaches these financial institutions, that the doors will not be closed tight. But this is a real danger, Sir. And really, Mr. Speaker, it is the only thought that should be uppermost in the minds of all of us in this hon. House and especially uppermost in the minds of the administration and the Minister of Finance - who is now headed for the elevator going back to his office - when they are borrowing and spending at the rate of which they have become accustomed over the past three-and-a-half or four years.

Mr. Speaker, the best part of this sub-amendment was not in my opinion the amendment itself but the excellent lesson in economics delivered by the professor himself from Twillingate (Mr. Smallwood) in introducing it, Sir. I feel, Mr. Speaker, that the member's combination of eloquence and common sense, economics will no doubt, Sir, affect the thinking of every member of this Hon. House, and that it will impress upon the members, whether they sit to Your Honour's left or to Your Honour's right, but especially to Your Honour's left, the need to proceed with caution in the future. The signals are up, the red lights are flashing and the Minister of Finance knows that better than anybody else in this hon. Province.

MR. DOODY: I have signed my last note.

MR. NEARY: The minister has signed his last note. He might have signed his death warrant, Sir, I do not know. Well, Mr. Speaker, I hope and I sincerely hope, Sir, that the minister and the administration will pay attention to the warning that was given by the old professor, the master himself, the former Premier of this Province, the member for Twillingate in that great speech that he made in this hon. House on Tuesday past. What a lesson, Sir, in common sense economics. I hope, Sir, it did not fall on deaf ears. So with this faith and belief, Mr. Speaker, I believe that the amendment has already served its purpose and that there would be little point, even if such were possible, Sir, that a majority of members of this hon. House would vote in favour of it and thereby handcuff the government in exercising judgement in the interest

MR. NEARY:

of our people.

Should however, Mr. Speaker— and this is the note that I am going to end up on and I think this is very important and I hope that members will pay heed to what I am saying—should however, Sir, the government at any time abuse this responsibility then the people themselves will provide the answer when the Province is faced with its next provincial election. Thank you, Sir.

MR. SPEAKER (Dr. Collins): Is the House ready for the question put forward in the sub-amendment?

MR. J.A.CARTER: Mr. Speaker -

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER (Collins): Is the hon. the member for St. John's North (Mr. J.A.Carter) speaking on the sub-amendment?

MR. J.A.CARTER: Yes, Your Honour.

MR. SPEAKER (Collins): Agreed, with leave of the House. The hon. the member for St. John's North is recognized.

MR. J.A.CARTER: Mr. Speaker, I take it that I am recognized in speaking to the sub-amendment. First of all, Mr. Speaker, I take it that since this is a sub-amendment to an amendment to the resolution we should form a Committee of Ways and Means. In other words this is the Budget Speech and since the Budget Speech permits very wide-ranging debate I would assume that any amendment or sub-amendment would permit equally wide-ranging debate and therefore, I do not feel constrained to confine myself within the limits of the



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text of the sub-amendment. But first of all, Mr. Speaker, before I get into any formal debate, I would like to congratulate you, yourself, on your elevation to the present office which you hold and particularly I would like to congratulate the Speaker upon his elevation. Unfortunately I was not present when all the members were sworn in. Myself and the Minister of Provincial Affairs, it is called now, were sworn in together at a later date. However I would like to say, for the sake of the record, that had I been here at that time, I would certainly have voted for you and for the regular Speaker. I think that the person we have chosen as Speaker will do great credit to this House of Assembly, and I look forward to the day when the public galleries will be filled with people, not coming here out of curiosity, but coming here out of respect. It may be suggested that since we cannot offer the public bread that, therefore, we may be offering them a circus. I suggest that there will be no circus here. There may not be much bread, but there certainly will be no circus.

I would also like to take this opportunity, Mr. Speaker, to welcome my old friends and sparring partners that I see scattered throughout the House -

MR. ROBERTS: On both sides.

MR. J. CARTER: - and also to welcome my, what I hope will be new friends and new sparring partners on both sides. This House is a very good testing ground for those who would like to engage in public life.

Perhaps I should get to the text. The amendment, of course, suggests that, in effect, without going into the wording of it, that the budget is no good, and, I suppose by implication, that the government is no good. And then the sub-amendment, moved by the gentleman whose name escapes me for the moment, suggests that we should not do any borrowing. He suggests that we should throw out the whole thing. Well, I feel that these are excessively simplistic solutions, and I intend to try to look for some more complex approach.

Mr. Speaker, every good political speech, or every political speech, or every speech that pretends to be political should have three aspects. It should

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find something to praise, something to blame and something to view with alarm. Well, in the first place, I am going to find something to praise and what I praise, what I find to praise is this government's attempt to close the gap. We have a budget that- any budget, of course, is just a prediction- but this tries to bring our current account spending into line with our current account earnings. And I think it shows a willingness on the part of this government to face facts. Facts are not always very convenient, they will not fit into the proper slots, but I think our government is trying to face facts. I might hope that it would be a little more realistic. I think that this document, this document here, this adjustment to last year's budget, this modification of the budget, called the Fall Budget 1975, is a genuine attempt to close the gap. But I would like to go on and say that future budgets will not be able to raise very much more in the way of taxation, that future attempts to close this gap will involve cuts in spending rather than raises in taxes.

I think hon. members, if they will just bear with me while I go through the various major headings of income, will agree with me that we cannot raise much more money by way of taxation.

Mr. J. Carter:

To start off with, on page 11 of the Fall Budget the gasoline tax this year, it is predicted that \$34 million roughly will be brought in. I think our gasoline tax is now the highest in Canada, it is 25 cents per gallon -

MR. SMALLWOOD: On a point of order, Mr. Speaker. If the hon. gentleman will allow?

MR. CARTER (J): Yes.

MR. SMALLWOOD: Mr. Speaker, there is too much disturbance, I want to hear what the hon. member is saying, every syllable of it, and I am being disturbed by visitors somewhere outside the Chamber.

MR. CARTER (J): I thank the hon. member for his interjection because I am finding it equally difficult to concentrate from background noise. The point seems to have been handled by itself.

Our gasoline tax is now quite high and I would suggest that it cannot go much higher without causing people to burn less gasoline and to bring in the law of marginal returns. Our retail sales tax which is now 10 per cent, although off on clothing, which I would suggest has been a great improvement, is predicted that we will take in \$126 million this year. I would suggest that if the retail sales tax were to go up any higher or if its application were to be broadened we would possibly take in less rather than more, or certainly we would not take in as much more as we would hope to.

The next large heading is the tobacco tax, and although one piously hopes that by raising the tobacco tax more people will stop smoking, I would suggest that governments raise tobacco taxes in the hope of taking in more money. But if they do raise the tax further more people will stop smoking -

AN HON. MEMBER: Hear, hear!

MR. CARTER (J): - and it will have a negative affect.

AN HON. MEMBER: No, a positive affect.

MR. CARTER (J): The personal income tax I think cannot go much higher without causing people to find it not worth their while to earn the extra dollar and so on and so forth. I think we have almost reached the limit of the provincial sources of taxation. This is

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perhaps to be regretted, but I think that any future changes in the tax structure would have to be in the line of lowering of taxes than of raising them. These are hard facts. These are facts we have to face. Therefore any future budgetary changes will have to be in the nature of savings, and that is not easy.

But I take issue with anyone who suggests that the answers are simple. I am not an economist, but I have had occasion to look at a textbook of economics and the formulae and the laws that they talked about are incredibly complex. One of the big factors, of course, is the money supply. Now we do not have a printing press for printing money in Newfoundland, although I think past governments or the former government certainly acted as if they did, and the money supply, of course, is directly tied to the velocity of the rate at which money is spent, if money is spent faster the same amount of money will do more work.

Then there is the concept of demand pull, that is to say that if there is increased demand for a commodity this will tend to raise the price. It is often compared with cost push, which is the theory that if something costs more, naturally more has to be charged for it in order to make the same marginal profit and prices go up.

And only this week, Mr. Speaker, a prominent economist suggested that for some reason or other Canadian were saving too much money, and this might be a cause of difficulty. This struck me as being very odd, but here was a responsible economist suggesting this.

Then there is the problem of resources, how plentiful they are, how scarce they are, and more importantly, where they are. We have discussed the possibility of our woods operations being increased, and from the little knowledge I have of woods work, it is awfully important where wood is. If someone would pay you \$10.00 a cord at the stump it might be worth your while to go into logging operation. But when you have to cut it around Grand Falls and bring it to around Stephenville it may just not be worthwhile even at \$70.00 per cord. The biggest

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single cost in wood is moving it about. Then another factor, of course, is an intangible is public confidence or public expectation and since all economics really is an attempt to predict what people will do and since people are notoriously hard to predict this just is another complication thrown into the whole formula. I have mentioned the law of marginal returns which is the complication that occurs when you try to raise taxes. And of course, there is the federal deficit over which we have no control. We can have as many federal or provincial conferences as we like but we are not the federal government nor do we control the federal government, They seem to go on their own merry way and that seems to apply whichever party is in power, provincially or federally. A Liberal Provincial Government seems to have as little power over a Liberal Federal Government as a P.C. Provincial Government has over a P.C. Federal Government. This is just a sad fact of federal-provincial politics.

Then, of course, there is foreign exchange over which none of us have any control, federal or provincial government; and there is hoarding and dumping, war and peace, war and rumor of war. So anyone who suggests, and I hope no one, Mr. Speaker, in this debate will suggest, that the solutions for our economic ills are simple. They are anything but simple. They are incredibly complex.

AN HON. MEMBER: And painful.

MR. J. CARTER: The hon. gentleman says they are painful. They may very well be painful but they are certainly complex. So, I praise the government for its effort to close the gap. Now, something to blame.

MR. DOODY: Now for the bad news.

MR. J. CARTER: Something to praise, something to blame. I blame the mistakes that we have made for the past twenty-five years and merely to list them is to recognize. One does not need to debate them, they have been debated so often. I will just list them not in any special order. Certain ones bring to mind, like ERGO, that has already been

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discussed here during this debate; Come By Chance, if one is to believe what one hears, the only thing they are able to do is to make crude oil even cruder. There is the Linerboard Mill which costs us, on capital - it is called capital but I would suggest it more like a current account expenses, something of the order of \$30 million per year. There was the rubber factory, which mercifully closed. There was the battery plant and the chocolate factory and then of course there is the Arterial Road which is not adding to our resources or not adding to any solution of our problems. I think it is very, very sad, it speaks ill of a government that will complete an Arterial Road but will not double the size of the existing main feeder roads that bring traffic in and out of St. John's. I think that this is a sad commentary upon our common sense. But more than that, and I think here I find much greater agreement among both sides of the House, is the lack of full disclosure on the part of Crown corporations. I would hope that when the next budget is brought down that the budgets of the Crown corporations, all Crown corporations, including Memorial University - and I have nothing but the highest regard for Memorial University. I had the honour to attend that institution and graduate from it and I have nothing but the highest regard for it and it is because I have such a high regard for it and I wish its standards to remain high that I suggest that its budget should in future be absolutely and thoroughly debated in this House of Assembly. There is nothing wrong with a full open debate and people who suggest that more progress is to be made by keeping things quiet, I think are very much mistaken.

AN HON. MEMBER: Hear! Hear!

MR. J. CARTER: So, the reason we came out of the caves, we advanced caves, Mr. Speaker, is that at some point in our history mankind learned to criticize himself and to learn by his mistakes. And if this House is to be anything more than a partisan forum we are going to have to learn to give and accept criticism, sometimes harsh, always I hope constructive. But

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We are going to have to learn to do it and the sooner we do it the better, and there is no better heading to criticize ourselves than under the heading of the budget. Now what I am going to view with alarm is the following, and I feel it is extremely alarming. For the past twenty-five years- we have heard debater after debater, speaker after speaker- that is to say, a person who speaks, not the Chairman of the House, say that we should industrialize and that has been made the God of the only hope for Newfoundland. But I would not suggest for one minute that we turn away industry. I would not suggest for a moment that we view industrialization by itself as bad. But I suggest that we cease and desist, as soon as possible, this excessive worship of smokestacks. Smokestacks are not monumerts.

MR. DOODY: How about steady jobs?

MR. J. CARTER: I hear someone suggesting that industrialization brings steady jobs. I would ask, how many steady jobs or how steady are the jobs that Erco has brought? How steady are the jobs that the refinery and the linberboard mill have brought? Now I know that the two outstanding examples which are given are Grand Falls and Corner Brook. Without the paper industries there, they would merely be logging camps, if that.

AN HON. MEMBER: And Wabush.

MR. J. CARTER: And Wabush, I think I heard some hon. member mention Wabush. I am not suggesting that industry be turned away, but I am suggesting that we should not pay through the nose for industry. We should not try and drag in industrialists. And one merely has to name certain past industrialists to deplore them. The names spring to mind, I do not even need to mention them. But they were disastrous for Newfoundland and history will recall that we would have been better off without them.

We have four great resources, renewable resources, and they are: the fishery, forestry and farming, agriculture. I would add minerals except that minerals are not a renewable resource. The more you

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take the less you have, but we seem to be blessed with a great store of minerals so I will for the time being add them to my list. I would hope that more and more of the dollars that are earned through mining would stay in Newfoundland. And I would not turn away practical suggestions for further processing of these materials here. But I think that a Province which neglects its natural resources, its natural renewable resources, does so at its peril.

The former member for Grand Falls, Mr. Senior, and I had the pleasure of taking a helicopter ride from St. John's to Buchans. And the operator or the pilot flew us at a level something below 200 feet. Those of you who have flown in a helicopter -

AN HON. MEMBER: Fled.

MR. J. CARTER: Fled.

- will agreed that you can see the land that you are flying over in great detail. And we flew over a great deal of wooded area, because if you curve up over that part of Newfoundland on your way to Buchans, you have to stop at Gander to refuel. If you fly that route, you fly over the most heavily forested area of Eastern and Central Newfoundland. And anyone who suggests that our forestry resources are not great just has not looked at them. They are immense and that is in spite of the criminally wasteful forest fires that we have endured in the years, 1960 and 1961, that is in spite of those, and the many forest fires before and since. Our timber resources are enormous, but they are not always and not all that accessible. But they are to just an onlooker, or to a man in the street, they seem to go on for mile after mile after mile and some of them I swear have never been touched, are yet untapped.

Farming, of course, will always be marginal in Newfoundland. Our soil is not good nor is our climate reliable.



MR. J. CARTER: I think that much more, well I know that much more could be done, and I do not wish to get into an involved technical debate at this time, but I think that you will all agree, all hon. members will agree, that much more could be done in the realm of agriculture.

As for the fishery I do not pretend to be wise enough to be able to say much about it except that some nations seem to be making a lot of money out of our fish and I only hope we can get a practical 200 mile limit and make that money ourselves. Somebody is making a lot of money out of the fishery, somebody will always make a lot of money out of the fishery. I hope that that somebody will be ourselves in the future.

So what are the conclusions that I come to at the end of it all? Merely that we should look for and accept great constructive criticism because there are no simple answers and unless we are prepared to look at everything in an analytical light and to look for free open and constructive debate. If we stick with partisan, just take partisan positions and hurl insults back and forth across this floor, and I feel I am as capable of doing that as any other hon. member, I think that if we do that then we will not find the answers that we must find and I am sure will find. But I would hate for anyone to suggest the answers are simple or that the answers necessarily lie in the direction of industrialization. I would like to see that God dethroned to some extent, not entirely, but certainly downgraded.

So with those few remarks, Mr. Speaker, I would end my speech.

MR. SPEAKER (DR. COLLINS): Is the House ready for the question? The question before the House in the sub-amendment, proposed and seconded, is as follows: 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." Is it the pleasure of the House to adopt the motion? Those in favour please signify by saying, "aye", those against the motion by saying, "no."

MR. ROBERTS: Mr. Speaker, I for one and my colleagues are quite willing to have a recorded vote on it.

MR. SPEAKER (DR. COLLINS): The House will divide.

ON DIVISION

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

I believe hon. members are aware that they are voting on the sub-amendment and those in favour of the motion please rise.

The hon. Mr. Smallwood; Mr. Dawe; Mr. Callan.

Those against the motion please rise.

The hon. the Minister of Municipal Affairs and Housing; the hon. the Minister of Transportation and Communications; the hon. the Minister of Tourism; the hon. the Minister of Manpower and Industrial Relations; the hon. the Minister of Health; the hon. the Minister of Social Services; the hon. the Minister of Provincial Affairs and Environment; the hon. the Minister of Justice; the hon. Mr. Wells; the hon. the Minister of Finance; the hon. the Minister of Industrial and Rural Development; the hon. the Minister of Fisheries; the hon. the Minister of Public Works and Services; the hon. the Minister of Forestry and Agriculture; the hon. the Minister of Education; Mr. Cross; Mr. Power; Mr. Young; Mr. Goudie; Mr. Winsor; Mr. Dinn; Mr. Patterson; Mr. Carter; Mr. Woodrow; Dr. Winsor; Mr. Marshall; the hon. the Leader of the Opposition; Mr. Hodder; Mrs. McIssac; Mr. Canning; Mr. Powe; Mr. Simmons; Mr. White; Mr. Winsor; Mr. Flight; Mr. Mulrooney; Mr. Rideout; Mr. Nolan; Mr. McNeil; Mr. Neary.

MR. SPEAKER: I declare the motion lost.

The hon. the member for Lewisporte (Mr. White).

SOME HON. MEMBERS: Hear! Hear!

MR. WHITE: First of all, Sir, as is the custom in the House I would like to congratulate You Honour on being elected Speaker of the chamber for at least the next five years, Sir, or ten years. How much longer, of course, depends on the outcome of the next general election. I take a note from a former speech by the Member for Twillingate (Mr. Smallwood) when I point out that you hold a position, Sir, which has been held by some of the outstanding figures of our parliamentary history.

One of the greatest figures in Newfoundland history, Sir, Dr.

William Carson, who hangs second from the left above my hon. members, was once Speaker of the House and even a common fisherman, Sir, W.F. Penny of Carbonear who is located just behind me here.

I would like to congratulate as well the member for St. John's South (Dr. Collins) and the member for Bonavista North (Mr. Cross) on their appointments here in the legislature. I am sure, Mr. Speaker, each will show the tolerance necessary towards new members of the chamber as we speak.

MR. WHITE: Mr. Speaker, before I get into my few remarks let me add a personal note to certain members whom I am pleased to be able to serve this Province with. The Member for St. John's West (Mr. Crosbie), Sir, although he is not here today, he just made it in the election, Mr. Speaker, but I am sure that that will not restrict his activities here in the House of Assembly.

Mr. Speaker, let me congratulate the hon. member on the recent selection of his son, Ches, as Rhode Scholar. His son and I once both worked together at CJON and I would be remiss, Sir, if I did not say his son was quite an ardent worker indeed and his awarding of the Rhode Scholarship comes as no surprise to me.

The hon. member for Twillingate (Mr. Smallwood), Mr. Speaker, what a stroke of luck that we new members of the House have the good fortune to be able to benefit from the vast experience and knowledge of this gentleman. Mr. Speaker, we sit here side by side, as do our districts of Lewisporte and Twillingate, a fact which I might say, Sir, caused me some anxious moments during the recent election particularly as the hon. gentleman must drive through my district to reach his own. I would like, Sir, to congratulate the hon. member for Twillingate on the recent Fiftieth Wedding Anniversary celebrations.

The hon. the Premier, Sir, Mr. Speaker, an acquaintance of mine of sorts during the past few years, a man who I found just as hard to reach as a reporter as I do to get information from here in the Chamber.

The member for Kilbride (Mr. Wells), Sir, I note his decline in stature from a physical sense, of course, and something some hon. members here present should take note of in view of the great number of heart attacks we are experiencing those days.

The member for Grand Falls (Mr. Lundrigan), Sir, the member for Green Bay (Mr. Peckford) and of course the loquacious member for Bonavista South (Mr. Morgan) -

MR. NEARY: Hear! Hear!

MR. WHITE: - all sometimes friends and sometimes contemporaries, Sir,

MR. WHITE: outside the House, and I look forward to debating with them during the years ahead.

The Leader of the Opposition, (Mr. Roberts), Mr. Speaker, one of the most brilliant individuals in public life in Newfoundland today, I maintain, Sir, and Newfoundland is poorer off, Mr. Speaker, because he is sitting here instead of over there where the hon. the Premier sits as I am sure he will some day.

And of course, Mr. Speaker, the hon. member for LaPoile (Mr. Neary). How tragic it is, Mr. Speaker, how tragic indeed, and people all over Newfoundland are mourning the fact that the hon. member is no longer an Opposition critic.

Mr. Speaker, I hope to demonstrate, Sir, during the next little while why I intend to vote for the amendment put by my hon. friend, the member for Burgeo-Bay d'Espoir.

Here we are, Mr. Speaker, all fifty-one of us, all elected to serve the Province, elected to make laws, Sir, and of course, Mr. Speaker, we who are members of the Opposition elected to suggest, probe and ask questions. But it seems to me, Sir, that something has happened to parliamentary form of government in this Province. It has become an adversary form instead, Sir. Why is it, Mr. Speaker, that ministers of this government find it so difficult to answer questions? Why is it, Sir, that ministers such as the members for Green Bay, and Bonavista South, and Grand Falls, play little games, Sir, instead of giving detailed and sensible answers to questions when put by members of the Opposition?

Answers to questions, Sir, I maintain, and to the people of this Province, are entitled to answers in this Chamber and they are entitled to have answers to the 600 or 700 questions that are on the Order Paper.

Mr. Speaker, during the past few weeks I have been going through some of the debates of this Legislature during the past few years, the past twenty-five years or so and I find that even on Opening Day and a few days later, most of the questions that have been put on the Order Paper have been answered and here we are, Sir, two weeks or more in this

MR. WHITE: Chamber and hardly any of the questions answered so far.

Or is it, Mr. Speaker, an attempt by the government to cover up, Sir, an attempt to hide the truth from our people. Oh yes, Mr. Speaker, a covering up of information and let me give you some examples. The member for Grand Falls, Sir, the Minister of Industrial and Rural Development (Mr. Lundrigan) refuses to table details of loans and grants in connection with his Rural Development Department, Sir. Why, Sir? Why is that information not made public to the people of Newfoundland? Is it because there is something to hide, Sir? Will some people be

Mr. White:

embarrassed, Mr. Speaker. It makes no difference, Sir, information such as that should be made public, embarrassment, Mr. Speaker, or no embarrassment.

The Minister of Municipal Affairs (Mr. Peckford), Mr. Speaker, has so far refused my questions with regard to water and sewer projects that were deferred after the cutbacks following the September 16 election. Does he too have something to hide, Mr. Speaker? Were all districts in Newfoundland, Sir, treated equally? Did not Green Bay get cut like my district, Mr. Speaker? Why cannot we find out, Sir? Why must this information be hidden and covered up? Why, Mr. Speaker? Are we not entitled to know how this government decides its priorities, Sir?

The Minister of Transportation and Communications (Mr. Morgan), Mr. Speaker, refuses to table paving contracts in the House as he was asked to do a few days ago by one of the hon. members on this side. Why, Sir? Do we not have public tendering any more?

MR. MORGAN: Yes we do.

MR. WHITE: Well, if so, why are not the contracts tabled? We are entitled to see them, and see what is going on.

Those are examples, Mr. Speaker, of just the past few days in this House. What about the past few months, Sir, when Newfoundlanders were kept in the dark about the financial position of this Province? In the opening statement in the Budget, Mr. Speaker, the Minister of Finance admits this cover up of information, Sir, he admits he knew all along. Why did he not tell the people? As a local columnist wrote in one of the daily papers a little while ago, Sir, "Does the need to be re-elected warrant a false economic outlook for Newfoundland?" Does it, Mr. Speaker? Does it warrant the emotional trauma inflicted on the people of this Province? Oh how they played, Sir, with the emotions of our people. Oh how they lifted them up with promises, and dropped them with the facts after the election, Sir. Unfair, Mr. Speaker, very unfair indeed. The people of Comfort Cove-Newstead



Mr. White:

Sir, did not deserve to have tenders called for water and sewer, and then, Mr. Speaker, the lowest tender identified only to have the project deferred. Did they deserve that kind of emotional shock, Sir? I suggest not.

Likewise, Sir, in Embree in my district, people getting sick daily because of contaminated water. Their hopes were raised during the election and prior to it, Sir, by this government, before September 16, only a matter of time before they have good drinking water, and then they have to hang their heads again because the deferment is announced by the Premier and subsequently by the Minister of Municipal Affairs (Mr. Peckford).

Yes, Mr. Speaker, I maintain it is a cover up of information in this Chamber and in this Province. No government, Sir, has the right to play with the emotions of people, raise them up and then drop them, Sir, mercilessly down. All of the information was known this past Summer, Sir, and perhaps even earlier. Why was it not released? We all know that, Sir, only one reason: Sir, the greed for power, the covering up for greed, the greed to be re-elected to obtain power once again in this House and in this Province.

It is okay, Sir, for the Member for Kilbride (Mr. Wells) to stand and talk in platitudes about this personal campaign, about he did not hide the facts, about how the time has come for sound, sensible debate here in this House. But, Mr. Speaker, I do not intend to let these hon. gentlemen forget their sins as quickly as this, in future debate, Sir, maybe, but not in my first speech in this House. Not, Mr. Speaker, after the charade of this past year and this past Summer. The \$1 billion budget, Sir, was that part of the cover up too? How much information was hidden for the sake of votes, Mr. Speaker? What about the cover up on the Lower Churchill project, Sir? The big blow up in the Straits of Belle Isle? Scandalous, Sir, when it is viewed in terms of the statement made by the Minister of Energy in this House just a few days ago.

Mr. White:

Labrador Linerboard, Mr. Speaker - when will the government come clean on it? When, Sir? Are we to believe what we hear in the street, Mr. Speaker? Is the government again, Sir, I ask, concealing information? I think we should have a debate on the Labrador Linerboard here in this House, Mr. Speaker, just like we are going to have a debate on the Lower Churchill. The project, Sir, should be investigated, Labrador Linerboard Limited. What about the shipping contracts, Mr. Speaker? Is the government proposed to put them on the Table of this House to be viewed by hon. members? Have they been changed in recent months? That is something we should know,

MR. F. WHITE: Mr. Speaker, Let us have a debate. Some hon. members who were not here in the last session, Sir, who had many things to do with Labrador Linerboard Limited are here again now and it is a good chance for all sides to make their views known and to get it out in the open once and for all.

Equalization, Mr. Speaker; was there a cover up there as well, Sir? Did the government know what equalization grants would be, or are we to believe the minister when he says it was based on hope, Mr. Speaker? Was the entire budget, Sir, based on hope, hope that Ottawa would be more generous, hope that the civil service would settle for 18 per cent? Oh they knew, Sir, they knew. If they did not know, Mr. Speaker, they do not deserve to be the government of this Province.

Come-by-Chance, Sir; there again an example of covering up. Again, Sir, they knew and did not even have the decency, Mr. Speaker, to remain silent on the project. Instead, the hon. the Premier talks about expansion when he knew full well the refinery existing there at the present time was in financial trouble, Sir, and he should have said nothing or told the truth.

The government says it is trying its best, Sir, to come to grips with the crisis facing us in Newfoundland. I suggest, Mr. Speaker, one way to do that is to cut out the needless expenditure on this creature called Information Services, this agency that the member for LaPoile so proudly talks about in recent weeks. What do they do, Sir? In Heaven's name! what do they do? I have been watching since I came here, Sir, and this is a typical example, the one I have here, there are five press releases, Sir, for one full week - November 20 to November 26 - five press releases, Mr. Speaker. Two come from the Newfoundland Sports Federation and three are from government sources. Mr. Speaker, I would like to know how much each press release costs. I suggest perhaps in the thousands to get them around. What else does Information Services do, Sir? Is there something else they do besides write press releases? If there is, Mr. Speaker, we should be told. If there is nothing else they do, Mr. Speaker, I maintain that particular organization of government should be disbanded, Sir, or someone put in charge who can dig out some facts and get to the bottom of it. Goodness knows, Sir, the need to release

MR. WHITE:

information is great enough in this Province. The things I have mentioned alone would take up several weeks, I suggest.

The government talks about the sales tax. Once again I suggest it is socking it to the little guy in Newfoundland. Another 2 per cent on building materials, Mr. Speaker, another 2 per cent on automobiles, another 2 per cent on toys, Mr. Speaker, and the minister has the gall to stand in this House or to appear on television and say that sales tax is almost a luxury tax in Newfoundland. Almost a luxury tax. Shelter, automobiles, appliances, some luxuries, Mr. Speaker, some luxuries indeed. Why not the corporations, Mr. Speaker? Why did they not get hit in this particular budget? Is the minister afraid that the President of the Board of Trade might go to a Kiwanis meeting and condemn his, Sir? It is no wonder that a majority from the other side of this House come from urban areas of this Province, Sir. That is where their buddies are, Mr. Speaker, the buddies they are protecting by not increasing the corporation taxes. It is scandalous, Mr. Speaker, when you hear stories about the Royal Bank of Canada with a forty-two point something increase in profits so far this year and the Bank of Montreal with a 46 per cent increase and then there is no additional corporation tax put on in Newfoundland.

Mr. Speaker, there are two -

SOME HON. MEMBERS: Oh, oh!

MR. WHITE: Mr. Speaker, the hon. members, if they do not mind, I would like to speak. Mr. Speaker, there are two amendments being discussed or were being discussed here, Sir, The sub-amendment which I voted against was in some way to restrict borrowing of the government. Mr. Speaker, how could I have voted for that, Sir, coming from a district where twenty of twenty-one communities have no water and sewer. Hopefully, Sir, borrowing will bring them water and sewers and some of the basic services that many districts represented by hon. members of us already have, Sir. And I hope that with borrowing, Mr. Speaker, and with co-operation from Ottawa that this government gets out of the habit of putting \$35 million arterial roads in St. John's.

SOME HON. MEMBERS: Oh, oh!

MR. WHITE: No, Mr. Speaker. That is right, Mr. Speaker, for arterial

MR. WHITE:

roads. Thirty-five million bucks could pave every road in my district and put water and sewers in every community. No, Mr. Speaker, I did not vote for the sub-amendment, I did not vote for the sub-amendment. It is the amendment, Sir, that condemns this government, it is the amendment, Sir, that deplores the cover up of the amendment. It is the cover up, Sir,

Mr. White.

that needs to be exposed and that is why I am for the amendment and will vote for it this day. Mr. Speaker, all of us, fifty-one lawmakers, Sir, let us do what we were sent here to do. Let us get the information in the open, Mr. Speaker. Let us open the vaults, Sir, and bring up the files and let us see if collectively, Sir, we cannot use our creative talents to bring more prosperity to the people of this Province.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: Before recognizing the hon. minister, it would probably be an opportune time to draw the attention of the House, which has to be done no later than 5 o'clock, to the items which will come up on the debate for adjournment at 5:30 p.m. I have received notice of three of them: One from the hon. member for LaPoile (Mr. Neary), related to his question to the hon. Minister of Fisheries, a question with respect to the dumping of fish during peak periods of the fishing season by fishermen. The second notice has been given to me, I believe the next two, the second and third, by the hon. member for Burgeo - Bay d'Espoir, one relating to his question to the hon. Minister of Industrial Development, a question related to the Burgeo fish plant, and the third matter this afternoon, notice being given by the same hon. gentleman with reference to his question to the hon. Minister of Forestry and Agriculture and referring to the supply of timber for the Conne River sawmill.

The hon. Minister of Municipal Affairs and Housing.

SOME HON. MEMBERS: Hear, hear!

MR. PECKFORD: Mr. Speaker, I have only been in the House, Sir, since 1972, and I think this is the first time in many years that I have heard such a simplistic and naive approach towards the criticism of a Budget Speech in that many years. The hon. member for Burgeo - Bay d'Espoir (Mr. Simmons), the hon. member for Lewisporte (Mr. White), have tried to put forward the official Opposition's case of why they are against, in many instances, the Budget Speech brought down a few weeks ago. To me it shows a total lack of research, a total lack of understanding of the financial position of the Province and

Mr. Peckford.

perhaps somewhat in their minds, they believe that everything runs so simply in government that you only have to take a cursory glance at the budget, you only have to take a very cursory glance at the Auditor General's Report or at the Public Accounts Report to understand some of the more intricate details of our dealings with Ottawa, in our equalization grants and in our own dealings financially in the Province.

It is just amusing, Mr. Speaker, to listen to the hon. member for Burgeo - Bay d'Espoir (Mr. Simmons) try to make a case that this government has tried to cover up a lot of the facts dealing with the financial situation of this Province. As the hon. member for Twillingate (Mr. Smallwood) has amply pointed out, with tangible things in his hands such as the Public Accounts Report, the Report of the Auditor General, who is supposed to be the watchdog on the finances of the Province, who has access to all kinds of information, which would indicate to him where and when the government is falling astray or doing things which it should not do. All these kinds of things are never quoted by the hon. members of the Opposition when they attack. They do not use the information which is at their disposal, which by House orders we must give. This kind of information is never used to indicate, in a concrete and constructive way, just exactly where the government has been going wrong in its spending. And, Mr. Speaker, to indicate and to try to accuse the government of a free-wheeling spending spree over the past few years just does not bear up under any kind of scrutiny. It is very interesting to notice, Mr. Speaker, that the highest percentage increase in the budget of this Province did not occur in 1972-1973, it did not occur in 1973-1974, it did not occur in 1975-1976 it occurred, Mr. Speaker, when the Liberal Party was the government of this Province in the year 1970-1971, when there was a thirty per cent increase in the budget from one year to the next. The highest increase in budget from one year to another, since this party has been in power, was in 1974-1975, when the percentage increase was twenty-three per cent. And yet

MP. PECKFORD:

the Opposition, the Liberal Opposition can accuse this present administration of going on an expensive spending spree in the past three years when in actual fact that very party when it was in power was responsible for the largest percentage increase in a budget from one year to the next. Do you call that, Mr. Speaker, a spending spree? One would think that in order for this administration to be accused of that kind of spending spree we would have to have spent a lot more than 23 per cent from 1974 to 1975, a lot more than 14 per cent from 1973 to 1974, a lot more than 11 per cent from 1972 to 1973. In my opinion, Mr. Speaker, and I submit to you that this does not indicate, these are the facts, this does not indicate any kind of spending spree by the present administration.

Add to that, Mr. Speaker, the fact that inflation was most rampant in these years since we have come into office, add to that the fact that inflation was more rampant since 1972 to 1975 than it was previous to that, and add to it, as I have already said, the fact that our percentage increase has been less than was the case before we came into office, and then you can accuse, the Opposition can accuse this administration of going on an expensive spending spree, forgetting all about fiscal responsibilities? Mr. Speaker, under scrutiny those kinds of accusations just do not stand up. That do not bear the light of day. They do not bear the light to the facts that they have access to, in the same way, as I have access to them.

So that if these two hon. gentlemen on the other side had done their homework they would have found that far from a spending spree, the present administration has followed a policy of reasonable wise spending over the past few years from 1972 to 1975 and the facts bear it out. Now, Mr. Speaker, as a matter of fact from 1965 to 1971 the increase in the budget of the Province of Newfoundland increased by 117 per cent when inflation was not a factor to be considered, 117 per cent from 1965 to 1970, five years of Liberal administration. Yet we are accused by the Liberal Opposition of going on a spending spree!



MP. PECKFORD:

Mr. Speaker, a few other facts which might enlighten the newcomers to the House of just exactly what the situation is in relation to other expenditures by this administration. Would you believe, Mr. Speaker, that in 1965, ten years ago, one decade ago, that the total expenditure by the Department of Education on current and capital account was \$29 million? Would you believe that only ten short years ago that was the total expenditure on education in this whole Province. That looking at it today, the 1975 estimates indicated a total expenditure of \$246 million in ten years. We went from \$29 million to \$246 million and would anybody care to challenge the following statement, Mr. Speaker, that the educational authorities in this Province are any more pacified or content with the present expenditure on education in this Province, anymore so than they were in 1965? Do we have total solidarity with the administration in the way education and the amount of money is being spent on it from the educational authorities in this Province?

Do we hear nobody talking about the pupil-teacher ratio in 1975 because we have gone from \$29 million to \$246 million? Is there anybody in this Province now saying that there are too many students in a classroom? Is there any board in this Province saying, I am bankrupt in 1975? Oh, yes, Mr. Speaker. Many of them. And I suggest to you that today even though the expenditure has gone from \$29 million to \$246 million that we still have many of the same problems in 1975 in education as we did in 1965. So that even though the expenditure has increased enormously, astronomically over a ten year period, we still find ourselves in that bind.

Is anybody here going to contend that one cent of that \$246 million should not have been spent on education in 1975? Motherhood, Mr. Speaker, motherhood! Nobody can, in this House, contend with any degree of validity

MR. PECKFORD:

that we should not have spent that, we should not have spent that much money on education? Is there anybody here, Mr. Speaker, would contend that in 1965 when the total health expenditure, capital and current was \$31 million and in 1975 it is \$179 million, when we hear people on the opposition side saying, you have deferred this hospital in Clarendville and that one on the Burin Peninsula and all around the Province, is that motherhood, Mr. Speaker? Ah yes, it is when we are dealing with the sick of this Province, it is. And can anybody find, has the opposition been able to find anywhere where we could have cut that \$179 million? No, Mr. Speaker, it cannot be done. It is impossible. And yet we hear accusations of cover up of spending unwisely, indiscriminately around this Province when we have tried in the last three and a half years to continue a policy that was even started by the previous administration of providing those social amenities that are basic to any society in the Western World let alone the whole World. There is nowhere we could have stopped. And yet we did not put any in the fisheries, Mr. Speaker. We have done nothing on resource development in this Province, absolutely nothing. We have only gone from \$3 million in 1965 to \$22 million in 1975.

So it goes, Mr. Speaker, down through all the various government departments, \$46 million in 1965 in highways to \$215 million; \$4 million in municipal affairs and housing to \$46 million. And the hon. member for Lewisporte can indicate in his speech, Mr. Speaker, that there is no water and sewerage in Embree yet, that we are not in a position to go ahead with the distribution lines in Comfort Cove after the DREE line was put down to the fish plant. Ah yes! But we are on a spending spree, Mr. Speaker, only as long as we do not service every community that the people in the Opposition want us to service! That is when we are on a spending spree. There is no spending spree if there is a water and sewer system in Embree. There is no spending spree if there is a water and sewer system in Comfort Cove or in some of the other municipalities that come under the aegis or are represented by people in the opposition, no spending

MR. PECKFORD:

spree then, Mr. Speaker. And the cutbacks on water and sewer facilities do not only apply to opposition districts. They apply to all districts in the Province and everywhere. And to indicate Mr. Speaker, as he did, the member for Lewisport (Mr. F. White) that I refused as Minister of Municipal Affairs to provide the information on the deferment of water and sewer projects is not true. I have not refused. I have not refused to give the hon. member from Lewisporte the information which he requested. I have not refused it, categorically have not refused it. And so why should he take it upon himself today, to get up and say that I had? I have not refused to give that information. As a matter of fact that information will be forthcoming. But, Mr. Speaker, we only have twenty-four hours in a day the same way as the hon. gentlemen opposite. And when you have forty-five or fifty questions or more to answer for your department to the House it is impossible to get all the information together and across to the hon. members on the other side in a week or two weeks. It is impossible. Patience, very often, enters into this a little bit as well and to indicate, because he is only been a new member, perhaps I am being unfair to him, but to try to indicate that after two or three weeks he expected all the government ministers, all the ministers over here to have all the answers to all those questions by December 4 is being somewhat unrealistic and how the operations of the government departments work.

So, Mr. Speaker, there has been no spending spree. There has been no cover-up. Look, Mr. Speaker, I ask the members on the opposition side to go get the budget speeches that were presented to this House from 1949 to 1971 and compare them with the kind of information that has been given in the budget speeches from 1972 to 1975 and there has been a wealth of information given. On the Lower Churchill, it was in this hon. House last Spring that the hon. minister responsible for the Lower Churchill gave a progress report and information concerning the Lower Churchill and we have recently given a further progress report on just exactly where we stand and how much money will be expended on that project in 1976. Is that information? Is that cover up?

Mr. Peckford.

And you cannot, Mr. Speaker, give information, as the hon. member for Twillingate (Mr. Smallwood) knows a lot better than I do, on matters like Come-by-Chance and some of the bigger projects that are presently being negotiated and talked about and discussed in London today or yesterday or the day before. It is impossible. You cannot do it. And it is all right for you to give a motherhood statement, you must let the people know, the people have a right to know, the people this and the people that and the people something else, and we all believe it. And we all understand it. But you cannot do it on major projects that are in jeopardy. You cannot release information that is going to affect bondholders and investors in major projects in this Province. We would be then accused - you are damned if you do and you are damned if you do not, Mr. Speaker - we would then be accused of sacrificing investment money in this Province, and letting it go down the drain. We are not interested in industry. We have just sacrificed \$20 million that some group down in Texas were going to put into a bond issue that we have floated down there or wherever. So it is nice and proper and it sounds nice and gets the press that we are not releasing to the public all of that great information which is necessary to those in a democratic system, Mr. Speaker. Oh, yes! It sounds great. But it cannot always be done at the times in which it is demanded. But let our record, Mr. Speaker, stand for itself. Let our record stand for itself.

We have produced the information on all the major projects in this Province, financial and all the other considerations there. We have done it. We have done it on the Lower Churchill. We have done it on Come-by-Chance, and we will do it again when all the negotiations and things are finalized, and report to the people's House on what the situation is on all those things. And all the hon. members on the other side have to do, and it is easy - the hon. member for LaPoile (Mr. Neary) knows this, the hon. member for Twillingate (Mr. Smallwood) knows it - ~~that~~ it is quite easy if you do your homework on the Budget Speech or the Public Accounts

or the Auditor General's Report, there is information there. You have not exhausted your research capabilities or that of the Legislative Library in bringing to the hon. House information and make - not charges - but make points that are valid against the government.

MR. ROUSSEAU: What about the one the Leader of the Opposition made the other day with your bonds that they were not all taken up. Is that true?

MR. PECKFORD: No, and that is another point somebody brought up the other day, which was dangerous in itself in bringing it up, about a bond issue, the Newfoundland Municipal Financing Corporation down in New York, a \$25 million bond issue had not all been taken care of. That is not true, Mr. Speaker. That is untrue. Where he got his information, I do not know. That does not help the credibility of the government, of your government.

Corporation tax, as if we could raise a lot of money on corporation tax. Corporation tax, that is a great one. You are going to raise a lot of money on corporation tax—even though it is another lovely motherhood statement. Nail the corporations, nail big business. We have the highest corporate income tax in Canada. Newfoundland, 13 per cent; Prince Edward Island, 10 per cent; Nova Scotia, 10 per cent; New Brunswick, 10 per cent; Quebec, 12 per cent; Ontario, 12 per cent; Manitoba, 13 per cent. The great New Democratic Government of Manitoba only has a corporate income tax of 13 per cent. It is tied with Newfoundland. Saskatchewan, another Socialist Government, 12 per cent; Alberta, 11 per cent; British Columbia, another Socialist Government for now anyway - there seems like there might be some problems out there in the next week or so - 13 per cent. We have the highest corporate income tax in Canada right now. And as free enterprisers on the other side as we are here, we must be careful what we are saying. We are trying to attract - well most of us, I think, agree that we still have to attract the right kinds of industry into this Province with a balance to try to cultivate what is already ours, like the blueberries or the bakeapples, and other industries that are labour intensive where you get into processing. But there must be some balance.

MR. PECKFORD:

Mr. Speaker, I do not believe in saying categorically, no industry into this Province, no big industry. You have got to take each one on its own merits. You know, this kind of a blanket statement, Mr. Speaker, does not go down well with me at all.

MR. WHITE: Do not look for them.

MR. PECKFORD: Oh, ho! That is what you do, as the pamphlet the hon. member for LaPoile (Mr. Neary) indicated yesterday.

MR. ROBERTS: Salesmanship.

MR. PECKFORD: Oh, no question, no question. So, Mr. Speaker, there has been no cover up, and if the hon. member for Burgeo-Bay D'Espoir (Mr. Simmons) wants an explanation for the \$30 million or \$20 million he said was missing in the budget, I am not going to go into it here, but I have it here on paper for him. If he wants an answer to it, it is right here and I would be only too happy at any time to explain to the hon. member for Burgeo-Bay D'Espoir (Mr. Simmons) just exactly the story on that so called \$20 million or \$30 million that he allegedly said was missing.

AN HON. MEMBER: Tell us now.

MR. PECKFORD: Well, it is rather detailed. I have not got - but I would be only too happy, I have it here on the paper. I want to indicate we have it here and I can explain it to you. It is quite easy to understand and so on, what occurred there, and I would be only too happy to explain it. There is no cover up there, none whatsoever. The information is right here for the hon. member for Conception Bay South (Mr. Nolan) or for Burgeo-Bay D'Espoir (Mr. Simmons) or anybody else. None whatsoever, no attempt to cover up that kind of thing.

The hon. Leader of the Opposition said in his speech, Mr. Speaker, tell honestly - I think he used the word - tell honestly where we are. You know, Mr. Speaker, to me the budget speech pretty clearly indicates to all who want to read it - and if you read the charts and all the rest of the thing to do with the Province - it clearly indicates where we are. We are in a pretty precarious situation as a Province, and we are attempting through tax increases to improve

MR. PECKFORD:

that situation, to indicate to the bond holders, to indicate to the people who wish to invest in this Province, that we are trying to do our part to bring our ship in order.

The hon. member for Twillingate (Mr. Smallwood) I think has exaggerated in his sub-amendment to make a point and a very valid point. In its degree I do not agree with it but in its tone it is right, it is valid, that we have to be careful in borrowing. If we indicate to the financial community that we have to depend on that we are taking stringent measures to put our current "house" in order, then I think that we shall be able to continue to borrow, perhaps not at the same rate as we have in the last five or six or eight years but to borrow at a rate that will allow us to continue, perhaps somewhat slowed down but still to continue to pave roads and install water and sewer systems and put some pump houses on those wells that we talked about. We are, Mr. Speaker, telling honestly to the people of Newfoundland where we are.

Somebody made the comment, Mr. Speaker, that without - the understatement of the century - that without the Government of Canada we would be in sad shape economically. You know, I mean, that has been hammered to death ever since I was old enough to listen to a radio or read a newspaper. It is a known fact. That is what Confederation Mr. Speaker, is all about. Does anybody ever stop to wonder what this country is all about? That is the whole point of it, to bring everybody - for the wealthy provinces to help the poorer provinces so that the average will gradually come up, so that then the country will be a better and stronger country. Nobody disagrees with that. Without the Government of Canada we are lost, dead. We will all go to Toronto, Mr. Speaker. It begs no answer. What can you say about it, the statement like that from the Leader of the Opposition, I think it was? Whether it is a Liberal or a P.C. or an NDP or whatever is up there, that is a fact that we have known ever since - the member for Twillingate (Mr. Smallwood) made a major contribution in bringing it about, no question.

Who here so far, Mr. Speaker, has mentioned-the hon. member

for Lewisporte (Mr. White) says, shelter is very important, Mr. Speaker. Shelter, we should not tax shelter. Well, we have tried to get around that, Mr. Speaker, and nobody has mentioned to date that we have attempted in this budget, in a budget that raises taxes, to help shelter, -

MR. WHITE: One wipes out the other.

MR. PECKFORD: To help shelter -

MR. WHITE: One almost wipes out the other.



Mr. Peckford:

\$600.00 to each person who gets involved in the first new home, which will start January 1. That is an attempt to assist housing, to help shelter. And we have removed the tax completely on clothing. We cannot be accused, Mr. Speaker, of not trying to assist. The positive parts of this Budget have been completely ignored of course by the Opposition. If they were a little bit more constructive and enlightened, Mr. Speaker, I would suggest they could both commend various measures. Surely everything we do over here is not negative, Mr. Speaker. Surely there is something in that Budget that indicates that the government of this Province is doing something in a positive way in some sector of the economy. From the speeches that we have heard to date there is no indication by the Opposition, and this has been one of their faults ever since they have been over there in the last three or four years, one of their faults that a lot of people talk about around the Province is that they cannot seem to create or organize a balanced approach which they are supposed to do as an Opposition. So we are trying to help the housing industry in this Province.

AN HON. MEMBER: Hear, hear!

MR. PECKFORD: We are. It was the Liberal Government in Ottawa who a couple of years ago, which was a political move of the first order, brought in the \$500. grant which is now going to be phased out on December 31, and this was one of the reasons, among others, why we brought in the \$600 in January 1. So it does help them in a real way and a positive way, which was going to be phased out, Mr. Speaker, on October 31, and on the first part of October I wired Mr. Danson and indicated to him and put pressure on him to keep that \$500 in until the end of the year which later he agreed to do.

SOME HON. MEMBERS: Oh, oh!

MR. PECKFORD: A budget is a yearly thing, you know, and then we have to look at it again and then budget again in the same way as you do with your own income, You cannot project two or three years down the road, I suggest, if you do it.

AN HON. MEMBER: What about an AHOP programme.

AN HON. MEMBER: Or a LIP programme.

MR. PECKFORD: It was announced several weeks ago, as a matter of fact, that is the revised AHOP programme which now provides mortgage money to couples, as well as couples with children.

So, Mr. Speaker, in answering the questions put forward or the criticisms put forward by the hon. Member from Burgeo-Bay d'Espoir (Mr. Simmons) who moved the amendment, the hon. Member from Lewisporte (Mr. White) who spoke on it, all of these points can be answered reasonably by the government with no problems whatsoever. Mr. Speaker, I am looking for more information.

Mr. Speaker, when I talked earlier about the percentage increase in budgets over the last ten years or so, I talked about that even in the time of rampant inflation, percentage increase in the budget was less now than it had been from times past. Just let me indicate to you, Mr. Speaker, just how drastic this inflation has been. I have heard a number of water and sewer projects and what the cost was on those projects when they were designed years ago and what the cost would be now. In some cases from 1965 to 1975 the cost has tripled and quadrupled. I know of instances where a water and sewer system, for example, was supposed to cost in October 1974, it was supposed to cost \$500,000 or \$600,000, and in April 1975 the cost was \$1.1 million, \$1.2 million. Then one talks about this spending spree that the Province has been on over the last four or five years. Under any kind of scrutiny or research, Mr. Speaker, those kinds of accusations can be answered fairly clearly and without much problem at all.

Mr. Speaker, the hon. Member for Burgeo-Bay d'Espoir (Mr. Simmons) made a great deal out of the fact that how come we misinterpreted or miscalculated the amount of equalization payments?

MR. PECKFORD: And you know he, Mr. Speaker, indicated that someone, and these were his words, someone in Ottawa told him last Spring and confirmed to him again, I think, only in the last few weeks, this someone, this great fiscal expert in Ottawa, this great fiscal God in Ottawa that he has a direct line to, indicated to him that, you know, this Newfoundland Government down here, they did this all upside down. I mean they just do not know. Our Treasury Board people and our Minister of Finance and so on, are just not all that tuned in on how you calculate these equalization payments.

Well, Mr. Speaker, for the hon. member's benefit, it can be shown quite clearly that the kind of prediction that we made this year on equalization payments is comparable with the kinds of predictions that has been made by the provincial government over the last ten years, and that in each year there is always this fluctuation in the equalization payments.

MR. SMALLWOOD: That is right. Every year since it began.

MR. PECKFORD: Well, I have gone back ten years and found that the -

MR. SMALLWOOD: The hon. minister can go back ten more years with that.

MR. PECKFORD: Right.

MR. DOODY: The same thing.

MR. PECKFORD: Exactly, and it is -

MR. SMALLWOOD: Sometimes too much and sometimes too little.

MR. PECKFORD: Right. Exactly. It works both ways.

MR. DOODY: I will present the statistics later on.

MR. SIMMONS: That was never in question.

MR. PECKFORD: The hon. member for Burgeo-Bay d'Espoir did indicate that -

MR. SIMMONS: I said that last Spring.

MR. PECKFORD: Okay, Mr. Speaker, could I have some order here. The hon. member for Burgeo-Bay d'Espoir can have his day in court as well. But he did indicate or I did interpret, or understand what he said to mean, whether that is what it was supposed to mean or not he can clarify later, indicated that there was somebody in Ottawa who had told him that we were

MR. PECKFORD: not really living up to the confidence which was bestowed on us as fiscal agents for the Province and I suggest to him that he is totally wrong on this matter, that we can prove, by facts and figures to - Now, Mr. Speaker, on that very point, will the hon. member for Burgeo - Bay d'Espoir release the name of that gentleman or gentlemen? Will the hon. member release the name of that person who gave him that information? Who is he? What is his position? Does he work in Ottawa with the Department of Finance up there? If he is willing to charge the government with being incompetent financially to run the affairs and to calculate the equalization payments from Ottawa he should also be prepared to back up that kind of a statement and one way he can support this argument is release to us, this great fiscal God in Ottawa, so that we can then determine whether he has the capability to really analyze this equalization formula so that we can then find out whether that kind of a statement that was made by the hon. member is valid or not.

And I suggest to you, Mr. Speaker, to just say someone told me that we were incompetent of calculating within some degree of error what our equalization payments were supposed to be, has very little validity. When under scrutiny that kind of statement falls by the wayside completely. And we can show, and if the hon. member wants it, the Minister of Finance will give it in his remarks, and we can go down to the Department of Finance and we can explain to the hon. member for Burgeo-Bay d'Espoir what happened on the \$20 million or \$30 million that he allegedly said was lost, we can tell him what happened on the equalization payments, explain to his satisfaction, after many, many months of teaching just exactly the score on those two supposedly valid points that he brought up on his amendment.

So, Mr. Speaker, this government is aware that there is a lot to be done in this Province. We are aware that unemployment is rising daily. There is a place in my district now, Mr. Speaker, which about three weeks ago had 100 per cent employment. Nobody unemployed. And today there is about 100 per cent unemployment, due to the Linerboard, Price and Bowaters shutdowns, in the community of King's Point, where everybody is a logger just about, and

MR. PECKFORD:

everybody was working with both Linerboard contractors, Bowaters and Price, tremendous employment situation down there over the last two or three years. I was startled, Mr. Speaker, on that point to hear on the radio this morning that the expenditure of the UIC Commission in the first nine months of 1975 was \$2.4 billion, \$2.4 billion. And I think myself, Mr. Speaker, that as I indicated sort of briefly earlier that the approach that must be taken by the Province of Newfoundland is not either one of all heavy industry or no heavy industry, all handicraft and small industry and no heavy industry. There must be a good balance of both. We must not - we cannot afford to close our doors on any kind of industrial or economic development. If it can be proven that we can have a market for processed blueberries or blueberry jam or something and we can employ 150 people, by all means go ahead and develop it. If by the same token we can see on good terms to the Province, on reasonable terms to the Province that we can get a mining company or any kind of industry which is environmentally sound under the standards set by Environment Canada and Environment Newfoundland, then they should be allowed to come in here. We take over industries that have, for various reasons, got into trouble and which we have helped save to keep 3,000 or 4,000 jobs, so that on either score we should not close the door.

We have, Mr. Speaker, and I hope when we get into debate on this to have a chance to speak at more length on it, we have, in my opinion, absolutely no choice but to go ahead and develop the Lower Churchill River and its hydro resource. There is no turning back on that kind of a project and we go ahead within the means, financial means of this Province. And I still contend and I think most people in Newfoundland would contend that we did the right thing in buying out the Upper Churchill, CFLCo and the water rights -

MR. MORGAN: The official Opposition said it was okay. The official Opposition agreed with it.

MR. PRICKFORD: - to go ahead to develop the Lower Churchill. And, Mr. Speaker, we only have besides our own blueberry and bakeapples and fish processing, there are only a couple of areas in this Province that we can develop like the Lower Churchill and if we can get some revenue off of possible oil and gas finds off Labrador.

I think lip service has been paid over the last decade to the business of processing fish, processing other natural commodities that grow naturally here in the Province but nobody has actually really been serious at taking action and putting money where their mouth was. It has been another motherhood statement. On the Speech from the Throne in this session and the Budget Speech it is the government's intention to try to put their money where their mouth has been, not to the jeopardy of big major industries that also might be interested. But I do believe that substantial jobs can be created through agriculture and doing some processing with the agricultural produce with proper marketing facilities and so on with processing some of our woods resource. I think we can create a few thousand jobs in that way, not closing the door on other major industries that might come in. But we cannot, Mr. Speaker, wait any longer on the Lower Churchill. There is no definite commitment from Quebec Hydro. There is no definite commitment from the Federal Government for additional assistance. But we have to try as best we can with the resources that we have to go ahead. We have the thing started and we must see it through for the benefit - and, Mr. Speaker, as everybody knows, what is the alternative? We will need power in this Province by 1980, domestic power, just at the natural rate of increase in domestic demand stays somewhat the way it is now. We will need additional power. The

MR. PECKFORD:

alternative is to spend the same chunk of money on thermal or oil-fired furnaces or whatever to provide that power. So, where is the choice? There is no choice. There is none. The tunnel might provide some transportation facilities a few years after. We are linking up a part of our Province that feels forgotten, that has tremendous wealth. Where is the choice? Who could argue strongly? You can argue and criticize all you want about the Lower Churchill, but what is the alternative to it in providing domestic power to this Province, not industrial power, no more industries, just what is here now, not one more, now until 1980. We will need substantial chunks of power to keep homes lit, to keep the toaster going.

So, what do we do, Mr. Speaker? Do we risk - has anybody in Newfoundland ever done anything else but risk or take a chance in this Province? Has it ever been any different since 1497. It has always been a risk, Mr. Speaker, ever since the first settlers came here who were not allowed to live here and took a risk and took a chance. So it is now. There is no other credible, valid alternative to the development of the Lower Churchill project, as fast as we can give them the financial situation, none in my opinion.

So, Mr. Speaker, we can talk about it all we like, the Lower Churchill or development of the Province as a whole. We must have a two-pronged approach. At the one time we try to attract big industry which can fit into either some resource we have or some port we have, and at the same time try to push, identify those areas where you can develop a blueberry industry, identify those areas where you can develop lumber processing to make axe handles or whatever, identify areas that agriculturally have good potential, and then after you identify them stick to those identifications and say, I shall go ahead with the processing of blueberries here, and I shall go ahead with more processing of woods here and so on. And simultaneously have also a programme of not forgetting that some vital, perhaps major heavy industry can also be brought in. It is not a choice of one or the other, it is a choice of both.

MR. PECKFORD:

So in summing up, Mr. Speaker, there has been no spending spree by the P.C. Government of this Province. There has been no cover up by the P.C. Government in this Province, and there is a definite, firm commitment by this government to proceed as fast as possible with the proper orderly development of this Province in line with the finances that are available.

SOME HON. MEMBERS: Hear! Hear!

MR. SPEAKER: The member for Baie Verte-White Bay. (Mr. Pideout)

MR. PIDEOUT: Mr. Speaker, in view of the time, I would like to adjourn the debate until tomorrow.

MR. SPEAKER: It being practically five-thirty, we now will proceed with the matter as outlined in Standing Order 31. I recognize the hon. member for LaPoile (Mr. Neary).

MR. NEARY: Mr. Speaker, the fishermen in this Province could scarcely believe their ears when they heard the Premier of this Province, the Minister of Intergovernmental Affairs, the former Minister of Fisheries and the present Minister of Fisheries, Sir, when they heard these hon. gentlemen talk about negotiations to buy catches from foreign countries, to buy the catches of fish by foreign druggers and foreign fleets off Newfoundland and process their fish in our fish plants here on the Island of Newfoundland.

The reason, Sir, that our fishermen were so amused by the statements of the hon. gentlemen was because every year, Sir, during peak periods our own fishermen all over this Province are forced to dump thousands and thousands of pounds of fish.



MR. NEARY: Mr. Speaker, charity begins at home, and I would strongly urge this government, Sir, before they start buying fish from foreign countries that we look after our own fishermen by providing them, Sir, with adequate facilities to process their catches so that never again in this Province will our fishermen have to dump fish. And I also urge the minister, Sir, and the government to find markets for these catches.

Mr. Speaker, the answer to the problem of dumping fish, as far as I can see, is for the government to start in now to diversify the fishery in this Province by building smokers, canneries, freezers, and processing facilities that will produce the product of high quality and above all, Mr. Speaker, a substitute for the cod block that is presently cluttering up warehouses in Newfoundland, in Canada, and in the United States.

Mr. Speaker, I urge the Minister of Fisheries and his government to move slowly on this matter of buying fish from foreigners that we do not have markets for, concentrate instead his energy, and his resources and plan on developing ways and means to eliminate the waste of an essential food commodity by dumping fish and causing our fishermen loss of incomes, not only to themselves but to their families. Let us all hope, Sir, that before this government enters into any deal with foreign countries that we here in Newfoundland will put our own House in order and never again, Sir, stand idly by and watch fish being dumped in this Province while half of the world is starving.

MR. SPEAKER: The hon. Minister of Fisheries.

MR. CARTER: Mr. Speaker, the problem to which the hon. member has alluded is certainly a very serious one and one that we are very much aware of. I think in fairness it should be pointed out that this so-called dumping of fish does not happen that often. Really it only happens at certain peak periods when the fish plants are overloaded and where the processing capability is strained to a point where additional raw material cannot be handled. But certainly his reference to the statement by the hon. the Premier, and my predecessor and myself, with

MR. CARTER: respect to the business of joint ventures, I do not think that the concept of joint ventures should be confused with the problem to which the hon. member has alluded. Because certainly we all recognize the fact that the processing capability of our fish plants is probably less than fifty per cent being used, utilized, and there we have a very expensive, multi-million dollar fish processing capability in the Province that is being utilized, I am told, probably less than fifty per cent. So the fact that we are searching for joint ventures, that we are entertaining the concept, I am sure will come as good news to a lot of people who work in these plants and certainly people who operate them.

As I say the problem is a very serious one in that none of us like to see food being dumped in a country and in a world when protein food is at a minimum, premium. We recognize the importance of our fish. But like I say the problem has not escaped notice and it is one that is being worked on very much by the department. For example we have upgraded to necessary standards, I am told, fifty community stages and fish handling facilities. We are negotiating with the federal government for the take over of all community stages in the Province after they have been upgraded to the necessary standards as set down by the Federal Department of the Environment and Fisheries.

MR. SMALLWOOD: Making any headway?

MR. CARTER: We are making headway, Mr. Speaker, and I might add that we are negotiating very seriously with the governments where the federal government has agreed to bear seventy-five per cent of the cost of upgrading these facilities.

MR. SMALLWOOD: What about operating?

MR. CARTER: The operation will be

Mr. W. Carter:

handled by the provincial government and committees in the various communities in which these stages are located.

MR. SMALLWOOD: At whose expense?

MR. W. CARTER: I beg your pardon?

MR. SMALLWOOD: At whose expense?

MR. DOODY: At the Province's expense.

MR. W. CARTER: At the Province's expense.

MR. DOODY: Unfortunately.

MR. W. CARTER: Mr. Speaker, maybe I am -

MR. CROSBIE: Break away.

MR. W. CARTER: - being a bit premature in saying that we are again recognizing the need for improved quality in our fisheries, because we recognize to that affect that our fish may be, and this is not a reflection on the capability or the production methods of our fishermen because we recognize too that to insist on quality, that we have a very important role to play as well in that we must provide bigger and better facilities, ice-making facilities and processing capability for the fishermen. With that in mind we are this year, with the concurrence of the House, we are planning on establishing a model fish handling community and a fish plant. By doing this we believe that we can impress upon the fishermen the need for maybe a little more care in handling the product. We believe, too, that once this experiment is off the ground and working that it will result in increased earnings for our fishermen. And I want to correct, Mr. Speaker, a statement attributed to me this morning on one of the - I believe it was CBC, and I was quoted as saying, "That, you know, if we can get our fish quality improved, upgraded that it will result in an additional 12 cents or 15 cents a pound for fishermen." Of course, that is not correct. What I did say is by improving quality and upgrading the quality of our fish to that maybe of Iceland that we could very well fetch another 12 cents to 15 cents a pound on the market, which of course would reflect in maybe 2 cents or 3 cents additional for fishermen per pound.

Mr. W. Carter:

During 1975, 1976 and 1977 we will have provided eleven major fresh water supply systems in the Province. These are being constructed for fish plants. Other programmes, Mr. Speaker, are being worked on and will be announced in due course. But certainly we recognize very well, very much, the importance of improving fish handling facilities, fish processing facilities because we agree that much has to be done to improve the quality of our fish if it is going to attract the price competitive with that being paid Iceland and other Scandinavian countries.

MR. SPEAKER: Order, please! The hon. gentleman's time has transpired, unless he has leave to continue.

HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. Member for Burgeo-Bay d'Espoir.

MR. SIMMONS: Mr. Speaker, I would like to first of all address myself to the need for a new plant at Burgeo. The community, of course, depends very heavily, almost completely on the plant. I understand that at the moment there are 225 plant workers involved. There is an additional number involved in the trawlers which supply the plant with fish bringing the total work force at Burgeo directly dependent on the plant either by working in the plant or on the trawlers to 307 people. Outside of education and the hospital at Burgeo there are no other industries large or small, it is a one industry town in every sense of the term, and as the fish plant goes so goes the community and the future of Burgeo. I do not think I need dwell on the need very long, because the very fact that the provincial government had entered into quite a long series of discussions and subsequently entered into an agreement with the federal government, I think these acts alone demonstrate the recognition of the need by both levels of government.

And that is why, Mr. Speaker, I was very surprised, very disappointed to hear that government was having some second thoughts, at least second thoughts insofar as the approach to the problem is concerned.

Mr. Simmons.

The Minister of Industrial Development in making his statement a couple of days ago was not particularly lucid as to what the government had in mind. I recognize this may well be because the government is not itself sure what needs to be done. But the point that needs to be made is that the plant, not a renovated plant - there is no plant there to renovate. It is a deathtrap almost now. It is a fire hazard. In every respect it constitutes a hazard. The possibility of it being renovated has already been looked at as an alternative, as the minister may well know. And I cannot help but be a bit suspicious about what the government is really up to on this one, but that is not really the purpose of my raising it at this time.

What I would like the minister to do if he would agree is to indicate so fully as he can at this time exactly what brought the minister to the point of making this statement? Did he have some indications of cost escalation that he did not include in his speech, or for some other reason have they had a change of course? I understand from officials of National Sea that they are quite prepared to proceed as soon as the government is ready to go ahead. They have also expressed the opinion to me that the only sound solution is a new plant and that the matter of renovating has been looked at long and hard before they entered into the present agreement. So at this particular time, Mr. Speaker, it is not a matter that I particularly want to get into a partisan hassle over. That was not my motivation. What I would like to get from the minister are some answers that can be conveyed to the people of Burgeo. I am not particularly wanting to be critical of the minister at this point, but I was surprised in the way he made this statement. I think the matter was of sufficient importance that he might well have served a much better purpose had he gone to Burgeo and met with the people who are directly involved instead of their having to hear the statement on a radio news show yesterday morning or the morning before. Well that is done now, but I would ask the minister whether he is planning to go to Burgeo? I understand he has had an invitation from the town to go, and

Mr. Simmons.

I would certainly urge him to go. I think the people deserve it, and the people up there are pretty upset now and for a number of very good reasons, Mr. Speaker.

The other question, apart from that, I would ask the minister whether he would, (1) consider going to Burgeo; and (2) whether he would give us some background on what brought about this statement? The other question I want to address to the minister is the implications of this new development for DREE funding. As I understand it, the DREE offer was made on the basis of a particular application, an application for the construction of a new plant, and now that there exists the possibility that the approach to the problem may be changed. Does this mean that the government will now have to go through the entire process of making new applications or is there some understanding with Ottawa that the provincial government can entertain alternative approaches without jeopardizing the DREE funding which has already been pledged?

MR. SPEAKER: The hon. Minister of Industrial Development.

MR. LUNDRICAN: Mr. Speaker, the first thing I would like to say is that I am impressed with the member's reasonable approach to the problem. Not every day in the week am I going to be standing up and giving him that kind of credit unless he deserves it, but as I said from the beginning that the only way we can resolve our problems of a nature of the Burgeo situation is with a reasonable approach. First of all I think the member—or the present Minister of Finance is to be commended for having gone a considerable distance over the last number of years to support the community of Burgeo. The government have invested a tremendous amount of resources in the community, a community, I believe, of 3,500 people in support of the fishing development programme in that community. And I do not think anybody, especially the Minister of Finance, needs be too humble about making that kind of proclamation. The first response I have to the hon. member about going to Burgeo, whether I am prepared to go to Burgeo and meet with the people and discuss the implications of the announcement we have made, the answer is absolutely, yes. As a matter

Mr. Lundrigan.

of fact, weather permitting I hope to be able to go to Burgeo within the next twenty-four hours. I do not want to miss the House tomorrow, but I hope that I can do both -- to meet the people, to express our continued support for development programmes in Burgeo. We are not suggesting, and the hon. member, I hope, will never make the reference -- he has not here today -- that we are not committed to a development plan in Burgeo. No reference has been made to the fact that we are not committed to building a new plant. There is no reference made of a negative nature along these lines. The indication

MR. LUNDRIGAN:

was that we would have a look at, not going in with a paint brush and a gallon of paint and \$500 in terms of refurbishing, but we would have a look at the situation in a very, very quick manner. It is not in any way impeding the relationship we have with the Federal Government, to my knowledge, about the agreement. It is in no way impeding the plan, projection, the development of planning, the engineering work that is being carried out to place a major development, fisheries development in Burgeo. So this kind of thing, I hope, can be conveyed to the people in Burgeo to give them the reassurance that the government are committed to the development of the fishing capability, the fishing facilities, the necessary facilities in that community. So, the interim move which has been made is a very, very short term type of thing. There are a number of people already have been appointed, if you want, to look into the matter. I hope that they can be in Burgeo in the next number of hours as well, weather permitting.

The other point is this; I think it is a bit unfortunate that there has been a massive amount of negative response. I am sure that the people in Burgeo are interested in the development of their economy, a support facility which will enable the development of the fisheries to a maximum extent, support the 300 work force that is there, and we have to balance on the other hand our concern that we would not spend any unnecessary funds, unnecessary public expenditure, go beyond meeting the essential requirement. I think that as members of government, the hon. member will agree, we have a responsibility to do both, to protect to whatever extent necessary the expenditure of our public funds in the development field while at the same time meeting the necessary and required fisheries development in that community.

I think the people of Burgeo, if they were to express their feelings on what has been done over the last couple of years, they would have to agree, even though you are not going to get this comment made, they would have to agree that this government has spent a considerable



Mr. Lundrigan:

amount of money, more per capita perhaps than in almost any community in trying to enable the continuation of an economy which has been in difficult straits. And we are planning and committed to go in much beyond what we have already done in a major way in the community.

So I hope that the people of Newfoundland do not get the impression that this government has not been loyal and has not responded to the serious economic need and economic requirement in that community. I think the hon. member would be the first to agree that if every town had the per capita input that they have had and will get in the future into the community of Burgeo we would have a considerable expenditure beyond what we have now planned for in the coming fiscal year.

Mr. Speaker, the member indicated whether we have had any second thoughts. It is not a matter of second thoughts. This is a reasonable, businesslike approach to the development that we have in mind in the area and we, regardless of the public reaction, have to assume a responsibility for not only the people of Burgeo but also the people of the Province of Newfoundland as a whole.

SOME HON. MEMBERS: Hear! Hear!

MR. SPEAKER: The hon. member for Burgeo-Bay d'Espoir.

MR. R. SIMMONS: Mr. Speaker, first of all I thank the minister for his response and I shall look forward to talking with him after he comes back from Burgeo and if he has got an extra seat on the plane I would enjoy going up there with him tomorrow as well.

AN HON. MEMBER: Too many officials.

MR. SIMMONS: Too many officials, crowding out the member, too many officials, Mr. Speaker. Okay, I will talk to him after about that one. On another subject which I want to raise at this time, Mr. Speaker, the matter of the timber supply for the Conne River sawmill. I had some pages I would - I have some -

MR. ROBERTS: You are not going to read all that are you?

MR. SIMMONS: Not all of it, just - perhaps the page would see that each member gets one of these which is some background, some background on the Conne River timber supply.

MR. MURPHY: The clock is running.

MR. SIMMONS: Oh! The clock runs all the time, yes, yes, yes, yes. Mr. Speaker, I raised a question this afternoon to the Minister of Forestry and Agriculture in reference to the supply of timber for the Conne River sawmill. This subject of timber limits is going to be the subject of a get together tonight at Queens College and members have an invitation to attend. It is in the Great Hall at Queens College tonight at 8:00 p.m. and as I say members have their notice before them but I would just like to bring it to their attention because this whole issue will be discussed. It is an issue, Mr. Speaker, that has become a lot more complicated than really should have been necessary. As the documentation which I have just made available to members will show, this matter was a subject of correspondence with the former member, Mr. Roy Cheeseman, about

MR. SIMMONS:

three years ago. And government is into the record because, as you will recall, the chap I mentioned was a member of the administration, a cabinet minister. The government is into the record as supporting the council's request for cutting rights. Well, I do not intend, Mr. Speaker, to go into the details that have transpired since. The documentation is there. I would like to come to the issue as it presents itself today.

The basic and the immediate issue is for adequate timber limits. Now, Mr. Speaker, there are varying versions on this matter, as to whether the timber limits are available or not, and I would like to distinguish between what the sawmill operators have on paper, on the one hand - on paper they have authorization to cut 300,000 cords or so a year for the next several years, so on paper they have authorization which will keep them going for a long time. Practically speaking it is not quite like that because only one forest access road exists in the area of which we speak now. I understand that if the cutting continues on that road as it will, that they will run out of timber within about three months, and then short of additional timber access roads, they just will not have access to any of the remaining limits after the three months period.

I also understand that next Summer it is government's proposal to put in a second forest access road in the area. But, I am told that that forest access road will open up only enough for three months supply, and that that supply will not be accessible until about next September or October. So, immediate concern, Mr. Speaker, has to do with the need for timber limits to keep the sawmill going after they cut out what they have say by the end of January, the end of February as the case may be.

Mr. Speaker, I want to say that I think the present Minister of Forestry and Agriculture has given every indication that he is prepared to tackle this problem. I have no complaints with him at all in that respect. What I do find unfortunate, for the record, is that this matter was brought to the attention of the former minister by me on a number of occasions going back just about two years ago. And I find it most unfortunate that nothing was done until we got

MR. SIMMONS:

to the confrontation situation we had in Bay D'Espoir a couple of months ago. But anyway we are here now and I would hope that the minister can indicate to us in the next few minutes if he has in mind a way of resolving the present situation which if it is not resolved will mean the layoff of twenty-five or thirty people, people who have literally pulled themselves up by their own boot straps and have now in their community literally a community of almost full employment, over 90 per cent of the people in Conne River are employed, and that is a record far different from even two or three years ago when the majority of the people were recipients of social assistance. So through their own initiative largely, Mr. Speaker, they have reversed the situation and, as I say, there is 90 per cent employment there.

I am a little concerned, Mr. Speaker - and I recognize that the minister, whether the present or any other, cannot be a forestry officer and cannot perform every function in his department. Without being at all critical of his present forestry staff, perhaps the basic problem here is that people who were involved two or three years ago in this matter and who are still involved may have some vested interest. We are all human beings after all, and they may well find themselves giving advice, not deliberately rigged advice - I am not suggesting that - but advice that is somewhat tempered by the fact that they were involved in the initial bungling of this particular situation.

I throw that in - is the minister in some respects the victim or the recipient of some bad advice? But the important issue I would like the minister to address himself to, is whether he can find a way and means to resolve this situation, to ensure that the plant or the mill does not close down during the Winter for the want of timber limits.

SOME HON. MEMBERS: Hear! Hear!

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

MR. ROUSSEAU: First of all, Mr. Speaker, if I may address myself to the question of the meeting tonight. I will not be attending the meeting tonight for two reasons: (1) is that I have a prior commitment but No. (2) is that I say here and now, and I say for the record and I want it grossly understood that I will at any time, at mutually convenient times, meet with anybody in this Province be it in their area or in St. John's. I will certainly meet in this instance with the Conne River Band Council at any time they would wish, that is mutually convenient, be it down in their area or up here, and I certainly have no intention of meeting through the intercession of third parties as was arranged tonight.

That is not to say that I begrudge the fact that there is a forum for a discussion tonight. That is quite within their bounds and -

MR. WHITE: Who is the third party?

MR. ROUSSEAU: The Community Planning Association - that I do not begrudge them the opportunity to put their case forward. I think any group or any individual in the Province should have that opportunity and they are more than welcome to it. I do have a prior commitment but I want as a matter of record to state now that the Conne River Band Council or any other group in the Province I am prepared to meet at any time in their area or here in St. John's at a mutually convenient time.

In respect to the problem raised by the hon. the member for Burgeo-Bay D'Espoir (Mr. Simmons), I had a meeting in Conne River some couple of weeks ago and I think we talked about two things that I think it is important that we distinguish between here. We were talking about a near term supply of wood and I was suggesting three to five years and I was told there was not that down there. So, we will say two years or maybe even less but under no circumstances when I left Conne River was I under the impression that there was any immediate two or three month danger to the supply of wood to the mill. So this morning this came to my attention for the first time. I think it is fair to say that there was some - at least there was no representation made to me that the mill was in danger of closing within two to three months.

Mr. Rousseau:

Now I suggested to the people down there that the department would be in a position to meet with them before the end of March in respect to the long term supply. That is the situation now. We are doing our inventory down there as we are doing it across this Province so that the timber we have in this Province, the forest resources, will be used to the best benefit of all the people in the Province.

The problem was brought to my attention this morning in respect to the near term supply, even nearer than the two years or whatever that I had thought before that now it is a matter of two or three months. I do not think, as I understand it, the problem is in respect to the amount of wood available, I think the problem now, the immediate problem here and now is a matter of accessibility to that wood. Now it is certainly government's intention in respect to, all right I guess I will have to go to the near term now, talking about the next three or four months and then in the immediate term which is two or three years and the long term which is what we talked about before.

It is certainly our intention in government not to discontinue the concept of forest access roads. We will be talking to people in the area to open up our forest resources. The Premier has stated that there will be an emphasis on the resource that we have, and all the resources we have in this Province. The Minister of Finance has indicated and the President of Treasury Board on a number of occasions, that many of the things ongoing in the resource areas will be carried on because these are things we need for the Province. It is our intention to continue with the question of forest access roads. The wood is no good if you cannot get at the wood.

So we have made a suggestion this morning which I hope is satisfactory to the people in the area, that there will be somebody going down to see them within the next few days, who will report back to me in respect to

MR. ROUSSEAU: the immediate three to four month term supply of wood, will go down so that the people down there will have the opportunity to show exactly what I am hearing and whether what they are saying is correct. Somebody is wrong evidently and I want to know who it is. So I will have a report sometime within the next three or four or five days but I will be back to them by next Friday and from that point if the problem is delineated and we will just have to take a look at it and see what can be done.

It is not our intention to see that mill close down. As I said on a number of occasions, we are very happy with the success of it. We are very happy with the success of Rallands. We are very happy with the success of all sawmills down there and we have to look at the problem of all sawmills in that area and all sawmills across this Province to ensure an adequate timber supply for them. And we certainly do not want Conne River, nor any other mill in this Province to shut down. We think we have a good supply of timber in this Province, if it is done under a management plan that we will have when we finish our inventory. We see ourselves with a sustainable supply of wood over the very long term in this Province and it is certainly our intention to do everything in our power in the department to ensure that there is wood there and that there is access to the wood. So by next Friday hopefully I will have an answer for the people down in Conne River and hopefully we will be able to resolve what now is the third problem, a real near term supply and the intermediate and of course the long term by the end of March.

MR. SPEAKER: The motion before the Chair is that this House do now adjourn, Those in favour, "aye", contrary, "nay," motion carried. The House stands adjourned until tomorrow, Friday at three in the afternoon.

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