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SPEAKER; THE HONOURABLE GERALD RYAN OTTENHEIMER

The House met at 10:00 A.M.

Mr. Speaker in the Chair.

ANSWERS TO QUESTIONS FOR WHICH NOTICE HAS BEEN GIVEN:

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MR. SPEAKER: I am not sure now if the hon. minister was getting up for the previous routine order, for an Answer to Questions For Which Notice Has Been Given?

MR. PECKFORD: Yes.

MR. SPEAKER: Well with leave the hon. gentleman could give the answer.

MR. PECKFORD: Yesterday the hon. gentleman asked me about the - in fact it was the hon. member for Trinity-Bay de Verde (Mr. Powe) - about the business if a citizen lived in one community, worked in another community and had some relationship with a third community, did he pay taxes in all three municipalities?

MR. ROWE: No, in the other two.

MR. PECKFORD: Other two. He has to pay service fees. It depends on the kind of tax you are talking about though. As it relates to service fees he has to pay where he resides which exempts him from paying where he works. But if he has property in a third he is also subject to the service fee. So he would pay in two of the three. On water and sewer rates if he has a home where he resides, which I assume he would, and he had property connected or unconnected he could be liable for payment, obviously, if it is connected. Even if it is unconnected. The same way in the third community where he might have had property he would have to pay water and sewer rates if he had property there.

So that is the answer to the question. Of course if it related to property tax the same thing would apply depending upon where he had the property. If he had it in community 'A' and community 'C' he would pay on the value of his property. In community 'B' where he is working, of course, I deduce from that that he does not have any property there, he just works there so he would not be paying anything there.

MR. SPEAKER: The hon. Minister of Finance.

MR. DOODY: Yesterday in Question Period, Mr. Speaker, the hon. member for LaPoile (Mr. Neary) asked some questions referring to the Fishery Products-government consolidated agreement. I undertook to get some answer for him today. A copy of the document is here which I will table for other members of the House who may wish to look at it. I think the hon. member has a copy of it.

MR. NEARY: The contract on Marystown too?

MR. DOODY: No, I do not have that with me. I can get that for you later on. I can get it for you tomorrow. The Marystown one is not here. This is the consolidated agreement. I thought that was the one you were referring to.

MR. NEARY: I meant both.

MR. DOODY: But some of the questions that you raised are deserving of answers because it is just as well to set the record straight. This agreement in effect consolidates all the previous agreements that government has held with Fishery Products that date back to 1952, an incredible number of various agreements. Most of them are very low interest rates. Last Winter when the fishing industry was at the bottom of its cycle, Mr. Speaker, at least we hope it was at the bottom of its cycle, the Fishery Products found themselves in a very difficult cash position and they were pretty well on the rocks. They needed an additional \$2 million in their bank line of credit. The bank refused to permit this without government involvement.

Well the decision by government was to permit the \$2 million guarantee on the condition that \$3 million of the \$4.8 million -

MR. NEARY: The minister is the boy to get at the big money.

MR. DOODY: - on condition that the \$4.8 million loan to Fishery Products Limited be converted to preferred six and a half per cent voting shares which is, I think, a tremendous improvement over the original hodgepodge. The remaining debt of \$1.8 million, approximately, remained. However the terms of that were altered to include a more rapid and a more definite payback period. The interest rate was raised from the three and a half per cent, which it then was, to eight and a half per cent.

This means in effect that government will receive the same interest income from the \$1.8 million as it would have received from the \$4.8 million under the old arrangement. Also government are into a much better position now because when the company will be able to pay dividends we will have the six and a half per cent preferred shares on which we will get the dividends.

The government have taken an equity position and is also in a position to get a return on the hoped for profits of the company. The Department of Fisheries and the Department of Finance have been working very closely with Fishery Products during the past year sorting out the shaky financial structure of the company and in reorganizing the company.

MR. NEARY: A point of order, Mr. Speaker.

MR. SPEAKER: A point of order has been raised.

MR. NEARY: I am trying to pay attention and hang on to every word the minister is saying but there is an awful rumble from this corner, Sir. I cannot hear the minister, what he is saying and I want to hear every word.

MR. SPEAKER: The hon. gentlemen then who are making noise should govern themselves accordingly.

MR. DOODY: The Department of Fisheries and the Department of Finance have been working very closely with the company and as I said yesterday we have two members of government on the management committee and two members on the board of directors. The management committee of the company meets pretty well on a weekly basis and the

MR. DOODY:

board of directors obviously do not meet that often. But it is the management committee who are effectively directing the operations of the company. There is a representative of the Department of Finance and a representative of the Department of Fisheries on both the board and the management committee.

Fishery Products Incorporated, which is the sales and marketing and processing division, the American situation, agent of the company, is a subsidiary of Fishery Products Limited and it is owned approximately two-thirds by Fishery Products Limited. So that in effect the Government of Newfoundland in owning forty per cent of over forty per cent of the parent company here has the effective control of the American company the same way because the American company is two-thirds owned.

MR. NEARY: What percentage of the shares are now owned by this government?

MR. DOODY: The Government of Newfoundland now has a little over forty per cent, forty and a half per cent of the parent company shares now. But probably just as important is the fact that we have the right to call on other shares should the company get in a more difficult position or should it default or should it run into problems. We can call extra shares to give us complete control rather than the effective control that we have now.

We have no direct involvement in Fishery Products Incorporated, the American company, but as I said from the participation in the parent company we have effective participation. We have not nationalized the company in the ownership sense. But government is very actively involved in the company. In bailing it out at the time that we did we did it in a way that would give us a say in the operation of the company as well as an opportunity as I said, to raise the interest rates from the unreasonably low three and a half per cent to a reasonable eight and a half per cent area which gives us that same return that we would have gotten plus the other benefits that I outlined.

MR. DOODY:

So, it is really quite a good document and quite a good agreement. It saved at a very crucial time one of the major -

MR. NEARY: The Marystown one I want to see.

MR. DOODY: Well the Marystown one is a good arrangement too.

It is a first class arrangement and one that we are very happy with and I would be only too happy to bring the detail in on that. I did not have time between now and the time that you asked the question.

MR. NEARY: Did you send for it this morning?

MR. DOODY: Well they are working on it now. They will bring it down to me as soon as they get it whether you get it today or whether you will get it Monday. But I have no hesitation in bringing it forth. If they get it ready I will certainly pass it over to you. But I do not think I will get it this morning but I will certainly have it by Monday.

In any event, as I say, we have no hesitation in tabling it. We are quite pleased with it and I think the Province is -

MR. NEARY: If it is that good a document what is the reason the minister did not table it?

MR. DOODY: There is no reason to table it or not to table it. It is a very worthwhile document.

MR. NEARY: Why did you not table it before.

MR. DOODY: Sure we do not bring down all the documents in the department and put them on the table. We can if you like but you would need a much larger table.

MR. SPEAKER: Order, please!

The hon. Minister of Provincial Affairs.

MR. MURPHY: Mr. Speaker, I would like to just extend a little on the answer to a question I gave the hon. member for LaPoile (Mr. Neary)

MR. MURPHY:

yesterday with reference to the Goulds waste disposal site. For some time discussions have been going on in that area, Sir, to phase out a waste disposal site at Bay Bulls, our department in consultation with various members in that particular area, particularly the mayor of the Goulds, had come up with a plan to establish a waste disposal site in the form of incineration on the Shoal Bay Road about a mile and-a-half inside the main road for which we were seeking funds from the Treasury Board which were approved following which the mayor of the Goulds was notified. In the letter we set out certain stipulations they must follow if this thing is going to be done to follow the law.

On April 26 this letter was returned to my department signed by the mayor of the Goulds agreeing to all the provisions set in and all the rest of it. So when I said yesterday I was quite amazed at the uproar, I do not know where the -

MR. NEARY: There was no quorum in the council, at the time, then was there not?

MR. MURPHY: I have no idea. All I am saying is that my department did what it always does under the law. If it is an incorporated area we confer with the council or with the mayor naturally, who is the speaker.

MR. NEARY: There were only three councillors on the council at the time.

MR. MURPHY: Yesterday we phoned the Goulds to find out after the question had been asked. - I contacted my department - the town clerk had no idea of any meeting being called by council. So possibly - we know the meeting was held - but all I say is that the Department of the Environment followed all the rules and regulations prescribed by law to get into this particular area.

ORAL QUESTIONS:

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, I would like to put a question to the hon. Premier in connection with a statement the Premier made outside the House in connection with the work stopping on the transmission line and the tunnel. Would the Premier indicate if the dewaterization and all the contracts that have been let, are they are going to be cancelled?

MR. NEAPY:

Will the government pay the penalties to get out of some of these contracts that have been awarded, both big and small? What is the situation? When will the work end? When will all the work stop?

MR. SPEAKER: The hon. the Premier.

PREMIER MOOPES: First of all, Mr. Speaker, there has been no announcement that the work on the transmission line and tunnel is ending. Even in this morning's paper with the headline that still did not take that position. The fact is that there is always the likelihood that this can happen especially with negotiations with Quebec and the federal government not moving as quickly as we would like. It is a decision that could happen, as I say, and one which we will be working very hard at the next week to try to identify just what steps we should take at this particular time. But other than that the question by the hon. member, Sir, was not accurate.

MR. NEAPY: Mr. Speaker, a supplementary. Would the Premier elaborate on the involvement by the federal government? I can understand the Quebec part of it but what does the government expect from Ottawa in the way of assistance. What is the Premier looking for there?

MR. SPEAKER: The hon. the Premier.

PREMIER MOOPES: Well the situation is, Mr. Speaker, that until we have an arrangement with Quebec there is absolutely no point in having further meetings with the federal government. The federal government are not slowing the procedure.

MR. NEAPY: The whole thing hinges around Quebec.

PREMIER MOOPES: Other than that without agreement with Quebec there is nothing the federal government can do to assist anyway because we have to have the power and the sale of the excess power.

MR. NEAPY: A supplementary, Mr. Speaker. Would the hon the Premier then indicate if the government will continue to call public tenders and award contracts, for which they have to pay penalties to get out, of while the whole thing is up in the air, in slings?

MR. SPEAKER: The hon. the Premier.

PREMIER MOOPES: No, Mr. Speaker, as I said we will be working on it in the next week and we will be taking our position after that.

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

MR. ROWE: Mr. Speaker, the member for LaPoile (Mr. Neary) basically got into the same questions I was about to ask. But I would like the Minister of Mines and Energy and the Premier to ensure the House that they will report back to the House on the results of any negotiations with Quebec and/or the federal government following such meetings rather than having to pick up tidbits in the paper and possibly in an effort to try to get information jeopardize any ongoing negotiations? Would the Premier and the Minister of Mines and Energy undertake to report to the House before anything is leaked or given to the media?

MR. SPEAKER: The hon. the Premier.

PREMIER HOOPER: First of all, as the hon. member says, these tidbits are always various attitudes the press take, they are always statements that may have some innuendo in them. I assured this House before when any major position has been taken or major negotiation have been concluded, the House, of course, if in session, will be the first to know.

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

MR. ROWE: Mr. Speaker, I have a question for the Minister of Provincial Affairs and Environment or Industrial Development, I am not sure which minister, but could the minister indicate to whom people turn or make representation to in order to have the car wrecks around the Province cleared from pits or from along the sides of roads.

MR. SPEAKER: The hon. Minister of Provincial Affairs and Environment.

MR. MURPHY: I presume if there is any accumulation of it in an incorporated area the council would be responsible for bringing them to a central point and then contacting my department now with regard to the taking away. Or incorporated areas I presume if they did drop notes we could have - there are many dozens over there now that we are trying to get together. But I think that would be simplest way and then they would direct the enquiry to wherever the outfit are working at the time.

MR. POWE: Contact the minister's department.

MR. MURPHY: I think it would be best to direct it to the Department of the Environment.

MR. POWE: A supplementary.

MR. SPEAKER: A supplementary.

MR. ROWE: Could the minister indicate, Sir, what company or companies are now collecting these cars and the financial status of that company because I am hearing some weird and wonderful stories about the functioning or the functionability, shall I say, of that particular company.

MR. MURPHY: The company is AMM. And as far as hearing weird

MR. MURPHY: stories, I hear them and I read them. I just finished Lucky Luciano which was the weirdest story I ever read. But we hear all these things and as far as I am concerned I can only give the hon. member the information that I possess. If anybody has any problem, not only with car workers with washers -

MR. ROWE: What is the status of the company?

MR. NEARY: Heard about the final days yet.

MR. MURPHY: I have not had a financial statement from this company. They are a private company. Once they break the contract then government will deal with them and that is all I can say.

MR. ROWE: Are they still working to the satisfaction of the government.

MR. MURPHY: As far as I know they are now removing cars from Octagon down to the American pier for shipping outside the Province. That is the last progress report I had up to last Saturday.

MR. SPEAKER: The hon. member for Eagle River.

MR. STRACHAN: The House Leader indicated yesterday that possibly the Minister of Tourism would be in a position to state or indicate whether he was prepared to review the Wild Life Act as it applies to Labrador and whether he would be prepared to set up an advisory board or a committee or something to rewrite the Act as it presently stands. I wonder if the minister would be prepared to comment on that.

MR. SPEAKER: The hon. Minister of Tourism.

MR. HICKEY: Mr. Speaker, we are always prepared to review the Wild Life Act for Labrador or indeed for any other region of the Province. I am not quite clear as to what some of the real problems are the hon. member referred to and unfortunately I was not here yesterday afternoon.

With regards to the matter he raised earlier I have checked with the staff in my department and I am told, confirming what I indicated to him at that time, that there has not been

MR. HICKEY: any direction or any orders to enforce any section of the Wild Life Act in Labrador or in any other way other than the way it has always been considered necessary to enforce. So as far as I am concerned certainly we are prepared to review the Wild Life Act with regards to the region he refers to and if there is anything we can do without jeopardizing the wildlife species, whichever one he might be referring to, certainly we are prepared to look at it.

MR. SPEAKER: The hon. member for LaPoile followed by the hon. member for Burin - Placentia.

MR. NEARY: Mr. Speaker, I would like to put a question to the Minister of Forestry and Agriculture about a very serious statement that has been made that the producers, the broiler producers in this Province are missing the big market and that out of 250,000 pounds of broiler recently that fifteen per cent was not fit to sell to the take-outs in Newfoundland. Does the minister have a comment to make on this? What is the situation on this?

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

MR. ROUSSEAU: I do not know if the proper word is not fit to take out. The broiler users or the people who use the broilers, the take-out chicken and so on, what birds that are - I think it is fifty-one days or fifty-two days, of a certain time period in which they must be within a certain weight category, two and-a-quarter to two and a half pounds in that area - I think the problem is sometimes there is early placement of the birds. You know four or five or six days on one of those small birds might mean quite a bit more weight. I do not think it is a matter of not being fit to eat it is a matter of not being suitable for the broiler in size.

MR. NEARY: Are they bought by the Province?

MR. ROUSSEAU: No. Then they are sold. They are probably sold as a head-on special at a supermarket across the Province. But, you know, the proper working is not that they are not fit to eat. The size is too big to satisfy the take-out area. We have one which we supply all the birds for. The other one we are negotiating hoping that we can break through on them too.

But I think it is very important. We have had to speak to the broiler producers over the past three or four or five months on this particular issue and explain to them the importance of the weight distribution within that specified limit for consumption by the take-out people because once it goes over that - naturally the broiler producers, of course, want to get as much weight as they can on them because more weight means more money but they have to keep within the range that is requested by these people but they are otherwise united.

AN HON. MEMBER: Mary Brown wants to keep her legs small.

MR. ROUSSEAU: Mary Brown wants to keep her legs small.

MR. NEARY: A supplementary question, Mr. Speaker. Would the minister indicate to the House if he has in his possession a report done by a private detective in connection with Newfoundland Farm Products and if so would the minister tell the House what that report

MR. NEARY:

was all about and what action was taken on it?

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

MR. POUSSEAU: The minister does not have that report in his hands.

MR. NEARY: No, in his department.

MR. ROUSSEAU: I will take that as notice. Farm Products have a board down there and they run -

MR. NEARY: Well does the minister know about the report?

MR. ROUSSEAU: I have heard of the report because the hon. member mentioned it before but I have not seen the report, no. But I will take it as notice and I will check it out for you.

MR. SPEAKER: The hon. member for Burin-Placentia.

MR. CANNING: Mr. Speaker, I have a question that could be directed to the Minister of Industrial and Rural Development. When I was rising I intended to direct it to the hon. Premier and I will now have to direct it to the House Leader. First of all is the government aware that there was a further notice given to eleven men on the shipyard at Marystown two days ago, and if the hon. leader could tell me if the government anticipates further layoffs at the shipyard at Marystown?

MR. SPEAKER: The hon. Minister without Portfolio.

MR. WELLS: Mr. Speaker, I will bring the question to the attention of the hon. Minister of Industrial Development and if there is a further answer required he will give it.

MR. SPEAKER: The hon. member for Fogo.

CAPT. WINSOR: A question to the hon. Minister of Fisheries. Could the minister tell the House if there is now any compensation paid out for gear lost last year or what date was the cut-off because I am getting enquiries and letters from fishermen who lost gear and they say they have not been compensated? Is there a cut-off now or are they continuing to pay out?

MR. SPEAKER: The hon. Minister of Fisheries.

MR. W. CARTER: Mr. Speaker, as the hon. members knows there is no ongoing programme of compensation for gear losses. But as he knows as well we are working on a programme which we hope will take care of that problem. We hope to make the announcement within maybe a month or two.

MR. SPEAKER: The hon. member for Eagle River.

MR. STRACHAN: Mr. Speaker, I am having difficulty getting my point across. In reading the ministerial statement of April 30, I was absent when it was made, could the minister explain whether the moose and caribou license requirements given in the statement apply to the whole Province or only to part of the Province?

MR. SPEAKER: The hon. Minister of Tourism.

MR. HICKEY: Mr. Speaker, they apply to the whole Province with the exception of an area where there are special considerations given such as the area my friend refers to. Obviously those regulations would not refer to the area where a person can taken eight caribou. This is for all other areas of the Province.

MR. STPACHAN: A supplementary, Mr. Speaker. In

MR. STRACHAN: the same statement then the minister states there is a ban on the taking of black bear which is used in the North by people for eating. Does this apply to the whole Province or only part of the Province?

MR. SPEAKER: The hon. Minister of Tourism.

MR. HICKEY: If there are special considerations, Mr. Speaker, required for the area my friend refers to then certainly we are prepared to take that into account. I have not had any indication that it did not apply to the whole Province. If he is telling me now that there is a special requirement with regards to his area then certainly we are prepared to sit down and look at that and see what might be done or what is necessary.

I might say with regards to the statement applying to the whole Province, the situation with regards to poaching and the penalties as announced certainly would apply to the whole Province and all species.

MR. SPEAKER: A supplementary.

MR. STRACHAN: I think the point I am trying to get across is that in his ministerial statement it applies to only part of the Province and yet in the same ministerial statement without explanation it applies to the whole Province.

MR. HICKEY: No, no.

MR. STRACHAN: Would people then find themselves charged in Northern Labrador if they took black bear meat in the Spring of the year, under the ministerial statement?

MR. SPEAKER: The hon. Minister of Tourism.

MR. HICKEY: The first statement, Mr. Speaker, dealt with the method of licencing and so on. That applies to the Province where there are no special considerations. My hon. friend is well aware that in Labrador North, what used to be Labrador North and is now Eagle River, there are special considerations. A family may take eight caribou, obviously that

MR. HICKEY: first statement did not apply to that area.

The second ministerial statement dealt with penalties and quotas and so on. Obviously that does apply to the Province with regards to penalties. Now he raises the matter of the black bear and I am simply saying to him there was no question addressed to me, nor was there any clarification by my staff with regards to a section of the Province being exempted. If he is now telling us that there is a particular problem there then certainly we will be glad to look at it and do whatever is necessary.

MR. SPEAKER: The hon. member for LaPoile followed by the hon. member for Bellevue.

MR. NEARY: Mr. Speaker, I would like to put a question to the Minister of Mines and Energy, Sir, about the future of the Linerboard Mill now that there is more downtime. How much more downtime is there going to be at the Linerboard Mill this year? What is the future? What are the markets like? And when are we going to get a detailed report in the House on the Linerboard mill operation?

MR. SPEAKER: The hon. Minister of Mines and Energy.

MR. CROSBIE: Mr. Speaker, the down-time announced yesterday for July was already mentioned by me in the House several weeks ago. From the start of this present fiscal year it has been planned that there would be a period of down-time in July and what was stated yesterday was simply reaffirmation of that, in any event.

As to what will happen during the year this is going to depend upon the marketing situation entirely.

MR. NEARY: What is the market like now?

MR. CROSBIE: It depends on the marketing situation. Now Labrador Linerboard does not market in the US because of the difference in price between US, European and other world market. The market is not improving at the moment as we had

MR. CROSBIE: hoped it would. Prices are still not increasing in Europe. So this is going to depend upon the European recovery. Whether the market will improve later this year, as we have hoped, or not will only be known as the year goes on. So the operational plans for the Linerboard Mill will depend on whether they can sell the product at a price that at least recovers their cash cost. And that is all really I can tell him on that. The shutdown period for July was one that was contemplated and has been for the last several months. Whether there would be any other downtime will depend purely and simply on markets.

As to the other part of his question, I think that we can debate the Linerboard Mill in the present debate and I think there will be another opportunity to debate it, in any event, during this session.

MR. NEARY: What will be the occasion, Mr. Speaker? Supplementary, would the minister tell us what the occasion will be?

MR. CROSBIE: Well the hon. gentleman will know when.

MR. NEARY: A supplementary question, Sir, would the minister tell the House then where the wood will come from for the Linerboard mill this year? How much will be cut on the Island? How much will be cut in Labrador? What part of the Island operations will be shut down completely by the Linerboard Mill?

MR. CPOSBIE: Mr. Speaker, as far as wood procurement for the Linerboard Mill is concerned, as I told the House earlier in the session, because of the **downtime** last year, and we continued on with a full woods operation last year, there is now a heavy inventory of wood. Labrador Linerboard has a large inventory of wood. Of course with a large inventory of wood you have a tremendous amount of money tied up in the wood inventory. So it is not necessary this year to cut or purchase as much wood as would otherwise be the case because they have a large wood inventory which they have to reduce. We cannot have tens of millions of dollars tied up indefinitely in the wood inventory.

So the wood production or the wood procurement this year will be much less. Now I do not remember the exact figure but it is certainly considerably less. The company is not going to operate its own woods camps at Southwest Brook and Fox Island River. The Labrador operation will be continuing and the Labrador operation has to continue because, you know, with two ships to carry wood down you have got to have wood for them to carry down. You cannot cut back the Labrador operation. So the Labrador operation will not be cut back in any significant manner.

In addition to that we will be purchasing wood from wood contractors on the Island. Now I do not remember the exact total that will be purchased this year. It is going to be considerably less than last year because, as I say, we have got a large inventory of wood because last year the mill had a lot of **downtime**. There was a three month strike and the wood is there and now the wood has got to be converted into linerboard.

MR. NEARY: A supplementary question then, Mr. Speaker. Would the minister then tell the House if the Linerboard Mill is going to shut down its operations on the Island? What will happen to all the camps and all the equipment that was purchased by the Linerboard Mill within the last two or three years? Will it be resold? Will it be auctioned off? Will it be left there to rust and deteriorate? What will happen to all the equipment and all the camps and so forth

MR. NEARY:

that have been purchased by the Linerboard Mill at tremendous cost?

MR. CROSBIE: The equipment for woods camps will be used when we have to expand our logging operation. They will not be used this year but if we get over this marketing problem, Mr. Speaker, and if the markets improve and Labrador Linerboard goes on to produce, which it can now produce 300,000 tons of linerboard each year, then these woods camps will all have to operate and will all operate.

MR. SPEAKER: The hon. member for Bellevue.

MR. CALLAN: Mr. Speaker, on at least one other occasion I have asked the Minister of Recreation of the government's position regarding **stadia** or one stadium during this year. Now I am particularly concerned with whether or not government intends to build a stadium at Placentia this year and also whether or not government has made a commitment to build a stadium at Ferryland in the district of Ferryland this year.

MR. SPEAKER: The hon. Minister without Portfolio.

MR. WELLS: Obviously this is a year of restraint. I will nonetheless - and you know commitments have not been made because of the restraint programme which applies to hospitals and the recreation programme as well. Insofar as detail, if the member wants to know - what does the hon. member want to know **detail of whether a commitment** or not has been made to Ferryland?

PREMIER MOORES: No, Placentia.

MR. WELLS: Placentia.

PREMIER MOORES: Whitbourne or whatever.

MR. WELLS: Well whatever ones if the member will let me have them and I will jot them down now. Then I will get the answer. Is it Placentia?

MR. CALLAN: Placentia, Ferryland.

MR. WELLS: Ferryland and Whitbourne.

PREMIER MOORES: No, just Placentia and Ferryland.

MR. SPEAKER: The hon. member for Conception Bay South Followed by the hon. member for Terra Nova.

MR. NOLAN: Mr. Speaker, a question for the Minister of Tourism. The minister is no doubt aware that two or three years ago a park was promised down where what is commonly referred to as Topsail Beach. The minister is also, I am sure, aware of the problem that the people who live on the beach road going down have to go through every Summer and it is absolutely savage. The Mounties or no one can control it. I am wondering, one, what plans his department might have in mind for this year for that area and while he may not be able to give a detailed report today, I wonder would he indicate when he would present some kind of a detailed definitive statement on the situation because we are now up to - what is it? - the fourteenth of May and we are going to have trouble on our hands soon, in my opinion.

MR. SPEAKER: The hon. Minister of Tourism.

MR. HICKEY: Mr. Speaker, as I indicated at some date earlier with regards to the same question, two specific problems exist at Topsail Beach, one the matter of control on the beach itself; two, the acquisition of land to properly

MR. WICKFV: develop and to provide the kind of facility there that we think should be there.

The first question; I think I can feel safe in telling my hon. friend that there will be an effort made this year to provide some kind of control and supervision and to do whatever can be done to keep the area clean and somewhat presentable at least.

With regards to the second matter I can only advise him that some progress is being made but certainly not as much as we would like to see. **And until the legal tangle** is cleared up with regards to ownership and/or price, then we will have to wait and obviously postpone further development until that is cleared up.

MR. SPEAKER: I will recognize the hon. member for Terra Nova next.

MR. LUSH: A question for the hon. Minister of Tourism, I wonder if the minister is in a position to indicate to the House the present situation or circumstances respecting the proposed Terra Nova National Park golf course?

MR. WICKFV: Mr. Speaker, a federal-provincial committee was established quite some time ago with regards to the establishment of a golf course at Terra Nova and it is part of or comes under the Gros Morne agreement as opposed to the Terra Nova agreement.

A number of problems arose during the past year with regards to realignment of road, realignment of boundaries of the park. The Province certainly has not impeded any progress. We have given a great deal to bring this project to a head and to have it started. We agreed to give additional land. There were certain items with regards to road realignment that we obviously have to take a look at because of the cost. All of this seemed to be ironed out and now finally when we thought

MR. HICKFY: we had agreement the federal government were interested in a section of the Terra Nova agreement with regard to hydro development and that hydro development if it should take place the penstocks I believe would be within the boundaries of Terra Nova Park. The federal government would like to have that clause removed from the agreement. We are not in a position to say yes or no to it until we have a definitive statement from Newfoundland Hydro which we are waiting for. Whenever we have that position we have informed the federal government that we will be back to them and hopefully from there we can go on and hopefully get something started on it.

MR. SPEAKER: The hon. member for Twillingate.

MR. SMALLWOOD: Mr. Speaker, would the hon. the Minister of Forestry and Agriculture tell us whether he has any plans for this year to remove the serious bottleneck there is at the packing house operation in Fort Pepperrell, pork, beef, mutton, lamb, broilers and so on? **A bottleneck consisting of** the very inadequate amount of cold storage, the amount of cold storage limiting seriously the volume of turnover there can be. Are there any plans to end that inadequacy by installing additional cold storage capacity so badly needed there?

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

MR. ROUSSEAU: The only thing I can say now, Mr. Speaker, is we are aware of the inadequacies and the growing inadequacy of the operation down at Pepperrell and certainly in the future, in all likelihood, it will not be this year but in the future we certainly have to look at expanding the operation down there. I do not see anything in this year's plans for it.

MR. SPEAKER: A supplementary.

MR. SMALLWOOD: Mr. Speaker, I do not think - I know you are not allowed to give information, you are supposed to seek it - is the minister not aware of the fact that there really is no

MR. SMALLWOOD: need to increase the facilities down there but to increase only the cold storage capacity for the products of the whole operation and that the lack of it is causing farmers in the Province to raise less pork, less lamb, less poultry, less beef than they are capable of doing and the plant is capable of handling, if you could only store it in cold storage.

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

MR. ROUSSEAU: Mr. Speaker, it is not just the cold storage it is the whole plant. You know we have problems with the amount of stuff we can put through the plant down at Pepperrell. Hopefully as the year progresses, as we try to encourage swine production or production of any other livestock, we have to have the facilities to -

MR. SMALLWOOD: You cannot encourage it. They cannot handle now what -

MR. ROUSSEAU: One would hope that by encouraging it and by the growth in this that the demand will be such that government will have to look at the possible expansion of facilities as I said. That is certainly something which is in our future plans.

MR. SMALLWOOD: Sell the Premier on it.

MR. SPEAKER: The hon. member for LaPoile followed by the hon. member for Terra Nova.

MR. NEARY: Mr. Speaker, to the Minister of Justice. In view of the fact, Mr. Speaker, that the manager of Homeplan Realty on March 30, and the manager of another mortgage company, and Mr. Robert McGrath a few nights ago said that he could not stomach what was going on in the mortgage business, bonusing, finders fees, etc., does the minister now feel that a royal commission to look into this whole matter, in view of these three statements made by these three gentlemen who work in the industry, does the minister now feel that a royal commission should be set up to look into this whole matter of bonusing, finders fees and brokerage charges and investigation fees and so on?

MR. SPEAKER: The hon. Minister of Justice.

MR. HICKMAN: Mr. Speaker, the government in the discharge of its responsibility has introduced into this House legislation to meet any problems that may have arisen or will arise in the future.

MR. NEARY: Mr. Speaker, a supplementary question. Would the minister indicate in the legislation if there will be a clause to make retroactive payments, refunds to people who have been ripped off in bonuses and give them rebates and so forth? Will that be included in the legislation?

MR. CROSBIE: Retroactive birth control.

MR. NEARY: Are we going to get an answer.

MR. SPEAKER: I indicated that I would recognize the hon. member for Terra Nova.

MR. LUSH: A supplementary to the Minister of Tourism respecting the Terra Nova park - and I thank the minister for his answer a moment ago. The latest information that I can gather on this is that the latest proposal by the federal government to the provincial government is asking for rights to control land or timber rights and water rights for their paving a particular road to the park and this seems to be the only thing now. The federal government wants timber rights to control the cutting of timber, naturally, to the road that they will pave and to control the streams around that area.

MR. SPEAKER: The hon. Minister of Tourism.

MR. HICKEY: As I indicated, Mr. Speaker, the hon. member's question is probably very accurate if one looks back maybe three months ago. But the information I just gave him a moment ago is the current position meaning that the matter with regards to timber rights, the matter with regards to highway and the changes in highway, as I understand it, those matters have been resolved. The one outstanding item or certainly the main item at the moment is whether or not this Province will be required to use or develop the power, hydro potential in that area. If so are we prepared to change a clause which already exists in the Terra Nova National Park agreement with regards to the developing of that facility and having the development or part of it within the boundaries of the park.

Now we are talking about two separate agreements with the federal government. The golf course is being done, or whenever it is done, it will be done as part and package of the Gros Morne agreement. The clause they wish removed or rescinded is part of the Terra Nova National agreement. And certainly there is a question of whether or not we should open an agreement which was signed many years ago in relation to something which is going to be done under

MR. HICKEY:

an entirely new one. However we are not being too sticky about that if it means getting the project going provided that that power development or hydro development is not critical to providing energy for the Province. This matter has not been resolved. We have not received an answer from hydro yet. We are awaiting it. Until we are in a position and get that answer we will not be able to move further on it.

MR. SPEAKER: The time has expired.

ORDERS OF THE DAY

On motion the House resolved itself into Committee

of Ways and Means on the Budget debate.

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, I wonder if Your Honour could tell me how much time I have left.

MR. SPEAKER: Fifteen gone, thirty minutes left.

MR. NEARY: Thirty minutes to go. Well, Sir, I could not do justice to this matter in a half an hour but I will do the best I can.

Mr. Speaker, as I indicated to the House last week one of the chief reasons why I was voting for this vote of non-confidence in the government was because of their refusal to disclose details in connection with various projects that are costing the taxpayers of this Province substantial amounts of money. It is not for the reasons that the member for Burgeo - Bay d'Espoir (Mr. Simmons) gave because I thought the member was very childish in the approach, although I agree with the amendment.

I was dealing last night, Sir, when the House rose with the Mooring Cove Fish Plant Building Act agreement and I more or less, Sir, and I do it again today, I repeat my charges last night that I accuse the government of withholding the information in connection with the takeover by Fishery Products Limited, takeover of the fish plant at Marystown, I accuse the government of withholding that information from this hon. House. **And I also stated last night, Sir, that I thought that the agreement was illegal, ultra vires, could not have been consummated without the approval of this House, without the statute, without the law, without the legislation being changed because that company, Sir, that built that plant and leased the plant to Atlantic Fish Processors, which is a subsidiary of Atlantic Sugar Refineries Company, was**

MR. NEARY: done by an act of this House. And the government, in my opinion, had a statutory obligation to come back to this hon. House before the lease was changed, before any major changes could be made in that lease. So therefore, Sir, I would say that there has been a grave breach of the privilege of this House and the government cannot stand, they dare not stand in this hon. House and tell members that the Lieutenant-Governor-in-Council could change and amend that lease, that is not true. It is just not true, Sir, under the agreement. I have it here in my hand. And the Lieutenant-Governor-in-Council did not have the power. No, Mr. Speaker, the Lieutenant-Governor-in-Council did not have the power to change that company from one company to another, to change that lease from Atlantic Fish Processors to Fishery Products.

Mr. Speaker, they tried to do the same thing when we were in power and the government of the day on the recommendation of the law officers of the Province at that time, Mr. Vince McCarthy and Mr. Green and the members of our own caucus who were lawyers. We had the best legal advice available. - there is no way that that company could close down that plant and make their escape and to get off the hook. There was no way they could do it - we were told by the law officers of that day, who are still, some of them the law officers of today. And we had a study done by Kates, Peat, Marwick and Mitchell to prove that that plant was viable and the only way that they could get out, the only way that Newfoundland Fish Processors could stop operating that plant is if they could prove to the government that it was not feasible, that it was not viable to operate it.

MR. SMALLWOOD: They were losing money.

MR. NEARY: And that they were losing money and they claimed at that time when there was a slump in the fish market that they were losing \$2.5 million a year, so they claimed.

MR. NEARY: Mr. Speaker, Kates, Peat, Marwich and Mitchell proved that it was a viable operation. I do not need that I already have it. Thank you. I had to get it the hard way but I will take it, a spare copy.

Mr. Speaker, they proved that it was a viable operation. The law officers of the day recommended to the government that we not allow the **Jannock** Corporation, Newfoundland Fish Processing or Atlantic Sugar Refineries to get off the hook, that we keep them on the hook, that they meet their financial obligations to this Province and keep running the plant. They could not close the plant. But obviously now, Sir, they have come to this government and they have frightened the government and they have bullied this government into believing that they could close the plant right at a time, Mr. Speaker, when the fishing industry was never as good as it is at the moment and markets were never as good. When we had to fight the battle with Atlantic Fish Processing there was a slump in the market. They could not even justify closing the plant then. Now they come in and threaten the government to close down the plant and the government falls for it hook, line and sinker and enter into an agreement with another company without coming before this House and without tabling the agreements in this hon. House.

If they were not bluffed, Sir, and they did not fall for it why did they change? Why did they make the change? It looks to me like they were trying to pull the same thing that they pulled with the former administration and this time their bluff worked and the government let Atlantic Fish Processors, the **Jannock** Corporation, the Atlantic Sugar Refineries off the hook and now have entered into an agreement with a company that we were told a few moments ago by the Minister of Finance was in very serious financial straights and had to be bailed out by the government sometime ago.

MR. NEARY: So that leads me to believe, Sir, that if anything goes wrong with the Marystown Fish Plant operations that it is the government, it is the taxpayers that are on the hook. It is the same kind of a deal as the Linerboard mill in Stephenville and I think, Sir, it was very unwise and stupid for this government to let that company leave Newfoundland without fulfilling their obligation. And I would not be at all surprised, Sir, but Fishery Products had to pass over a few million dollars, a million or two or a couple or three million to this company in order to take it over.

Can you imagine, Sir? Here they are under the Statutes, under legislation of this Province, legally obligated to meet their commitments and when the lease is changed, so I am told, the company that took over had to pay \$1 million or \$2 million or \$3 million to the Newfoundland Fish Processors in order to leave the Province. Then my hon. friend from St. John's East (Mr. Marshall) back in 1969 - no wonder he today sits over there looking at his colleagues rather quizzically - the minister told us back then that the government's refusal to release a consulting firm report, which was the one I referred to a few moments ago on the Marystown Shipyard by Kates, Peat, Marwick, and Mitchell, he said, "Must surely be unacceptable to Newfoundlanders." Well certainly this agreement must be unacceptable to Newfoundlanders if we could only find out what is in it. If we could only get it tabled. I had to force the other agreement out of the minister and the minister tells me he did not have time. Well, Sir, I spent an hour in the Registry Office this morning digging up documents. I had time to go down and do research and the minister did not have time to get his secretary to Xerox a couple of copies of that agreement to bring into the House since last night. Who is the hon. minister trying to cod, Sir?

Mr. Marshall said back in 1969 that under the Mooring

MR. NEARY: Cove Fish Plant Building Act the government was empowered to construct the plant and lease it to Atlantic Processors Limited for a rental sufficient to repay construction and land costs and lend up to one third of the cost of the ten trawlers to the parent company, Atlantic Sugar Refineries Limited. Well what about the trawlers now? Does this new operator, Fishery Products, do they own the trawlers? Are they leasing the trawlers? Can we get that agreement tabled in this House? Because members have a right to know the details of that agreement. "The statement made by Fisheries Minister Aiden Maloney that the report would not be made public because a private firm is involved is invalid and unreal," Mr. Marshall said.

Well what about this situation now where we cannot even get the agreement tabled and the government went off without the authority of the Legislature and violated an act of this House? Is that unreal and invalid? I would like to hear the member comment on that? He said we suggested the real reason the report is not being made public is because it will embarrass the government. Well I would suggest that is why the agreement that I am trying to get out of the minister, it is like pulling a tooth try to get information, but that would be embarrassing to the government. Then I have some other clippings where Marystown Fish Plant may change hands and stay open, that was back in 1969, the hon. former Premier was the Premier of the day. He guaranteed the people that the government would keep the plant in operation no matter what happened. "Speaking to nearly 150 enthusiastic residents the Premier said because of continuing and increasing losses Atlantic Sugar, the plant's parent company decided to abandon the operation

MR. NEARY:

Speaking to nearly 150 enthusiastic residents the Premier said, 'Because of continuing and increasing losses Atlantic Sugar, the plant's parent company decided to abandon the operation at the end of June. But the government persuaded them to delay their departure for two and a half months.'" And it was during that two and a half months that the best legal advice by the law officers of the Crown and the report of Kates, Peat, Marwick and Mitchell told the government that in no way could that crowd close the fish plant in Marystown. They had to keep it operating.

MR. DOODY: _____ That is not so.

MR. NEARY: That is true, Sir, that is true. And if the minister will go back and check the records he will find it to be true. Look at the Kates, Peat, Marwick, Mitchell report and ask the law officers of the Crown. The Premier said that the company - that is the Premier today - the company had lost a total of \$2.5 million last year, over \$1 million in interest, the \$9 million government guarantee.

Mr. Speaker, listen to what the MHA at the time, Sir, Mr. Canning, who was gone out of the House, who has since come back, said about the Monroes who are now the owners or supposedly the owners of the fish plant. "P.J. Canning, Liberal member of the Newfoundland Legislature for Placentia West has levelled a blistering attack on the president of Fishery Products Limited who earlier this week criticized certain aspects of an announcement regarding the proposed enterprise being established at Marystown by Atlantic Fish Processors Companies Limited." This is November 18, 1966. "Mr. Canning said that the comments by Mr. Arthur Monroe published in the telegram November 16 were unwarranted and unjustified and unpatriotic." Now they are down running the plant.

Well what kind of a deal do they have with this government? That is what I want to find out, Sir. I cannot say too much more about it until I see the agreement and get a chance to study it. Now I am not complaining about the consolidating of the outstanding

MR. NEARY:

loans and guarantees. I think that is a good agreement. As a matter of fact only a few days ago I suggested that it was time to put the boots to the Monroes and then the defender of the Monroes, the Minister of Mines and Energy, got up and defended these people, what outstanding Newfoundlanders they were. Here was the Minister of Finance just after putting the boots to them, just after socking it to them in this agreement that is, Sir, about as close to nationalization as you can get. The minister knows that.

The government has control of the company but what I do not understand - and perhaps there is something that I am not, maybe the minister can straighten me out - is why after telling the House that this company was in serious financial straits to then turn over the Marystown shipyards to this company and let the other company get off the hook. It would be an interesting exercise to hear the minister try to wiggle his way out of that one.

MR. DOODY: I can supply you with the information but I cannot guarantee that it will straighten you out.

MR. NEARY: Well, Sir, I would like to get the information.

Now, Mr. Speaker, that deal is likely to cost the taxpayers of this Province a substantial amount of money as did the linerboard deal because it is a similar deal to the linerboard takeover. It is a similar deal. It is likely to cost the taxpayers of this Province hundreds of thousands of dollars that they can ill afford at a time when my hon. friend from Twillingate (Mr. Smallwood) keeps reminding the House that Newfoundland is headed for financial disaster. I think it was very unwise, a very stupid move that the government made.

Sure keep the plant going. **Jamrock**, Newfoundland Fish Processing and the Atlantic Sugar Refineries under the law of this land had to keep it operating. They should not have been allowed to get off the hook. In connection with the linerboard operation, Sir.

MR. SPEAKER: Order, please!

MR. SPEAKER:

Perhaps the hon. member will permit me to draw to the attention of all hon. members the presence in the public gallery of ninety-four Grade VIII's, St. Theresa's Junior High students from St. John's with their teachers, Mr. Dodd, Mr. Andrews, Mrs. Dalton and Brother Charles. We bid them a sincere welcome.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. member for LaPoile.

MR. NEAPY: Mr. Speaker, there are so many other matters that I want to deal with that within the limit of time that I have it will be virtually impossible for me to deal with them. I would like to deal for instance with the matter of the Come By Chance oil refinery and the lack of disclosure on the part of the government in connection with the closing of the Come By Chance oil refinery. I would also like to deal with the Churchill Falls takeover, the kicking out of Brinco. I have asked the minister I suppose twenty-five times now to tell us where the money is going to come from to meet the interest on the loan. The interest alone I am told is between \$25 million and \$30 million a year, the interest alone, forget the principal. Yet the government is only going to take in this year \$5 million or \$6 million revenue from the Upper Churchill. Where is the balance of the money coming from to pay the interest? Is it coming out of general revenue? I have been trying to get the answer on that, Sir, and that is another reason I am voting for the amendment because we have not been able to get disclosure on that matter.

Then there is the tunnel and the transmission line. The government up to this moment have not levelled with the House, are just playing games and are being rather cruel to the people who have built up their hopes and their expectations on both sides of the Straits of Belle Isle in connection with the transmission line and the tunnel. And the people who are unemployed, who think they are going to get jobs this year working on that tunnel, I am afraid are going to be economically marooned according to the statement and the rumblings that we have been getting from the Premier.

MR. NEAFY:

Then in connection with the car wrecks. We have not been able to get disclosure on the deal that has been made with Affiliated Salvage Metal Company, on the dollar that is being collected on the license fees. The hon. the Premier yesterday finally had to straighten whose responsibility it was to carry out this programme.

No disclosure again; the rental of office space, no disclosure. Have not been able to find out what kind of wheeling and dealing is going on behind the scenes. We know that there has already been one casualty over the rental of office space. the member for St. John's East (Mr. Marshall).

MR. MARSHALL: You would not call that a casualty.

MR. NEAFY: A casualty, Sir. The reason the minister gave for leaving the cabinet was because of the government not following the public tendering procedure in the matter of rental of office space and erection of buildings.

MR. MARSHALL: That is the reason but I would not call me a casualty.

MR. NEAFY: Well no maybe that is not the right way to put it.

MR. SMALLWOOD: The government were the casualty.

MR. NEAFY: Maybe it is the government that were the casualty and the hon. member may be all the wiser. I might say this, Mr. Speaker, that my respect for the hon. gentleman is growing more and more every day. I am surprised, Sir, that he has been able to stomach it. The hon. gentleman must be a great Tory. That is the only thing that I can say. He must be a wonderful, dedicated Tory to be able to sit there almost doing what I am doing criticizing the government, acting as an opposition member and still remaining within their ranks. He will not leave to come over here with me or with the Liberal Reform or with the Old Line Liberals or as an independent P.C. the hon. gentleman has elected to stay there and criticize from within.

I have a piece of advise for the hon. gentleman. He will continue to get away with that as long as the government only has a slim majority. Once they get a big majority the hon. member

MR. NEARY:

better watch, the axe will fall right down on the hon. member's skull.

MR. SMALLWOOD: Many is the true word spoken in jest.

MR. NEARY: That is not in jest. I have it sized up pretty good.

Mr. Speaker, then there is the disclosure on the fishery gear scandal. No reflection on the people who work in the department but the fishery gear scandal itself, lack of disclosure there. Then there is lack of disclosure about the financial prospects of this Province, our borrowing. We know, Sir, that the last time the government went to the bond market to borrow \$50 million that they ran into a lot of flak. We know that Mr. Richard Green who was the former party bagman is still the solicitor representing the government in connection with the bond issues.

Mr. Speaker, I would like to hear the minister comment on that, why they have continued to keep Messrs. Green and McNabb as their solicitors. I would also like the minister to tell us why back in the middle of last year when a bond issue was floated in Europe, in France, that the law firm that was commissioned to represent this government was the law firm represented by my hon. friend, Wells, O'Dea, Halley, Earle and Shortall.

MR. WELLS: Represented the underwriters.

MR. NEARY: The underwriters recommended by the government. The hon. former Premier knows and I know how that works. It may only mean \$3,000 or \$4,000 or \$5,000 to the minister's firm but I think it is very unwise for the minister, while he is either a backbencher or while he is a member of that government, to handle, to have anything to do with government guarantees or government loans. It is very unwise. In my opinion it does appear to create a conflict of interest. There is nothing illegal about it. I do not know if the minister himself made a couple of trips to Europe but his colleague certainly did, Mr. O'Dea, Mr. Frank O'Dea, who I will have more to say about in this House in other debates. But certainly, Sir, I think it is very unwise for the government to give

MR. NEARY:

these little goodies to either backbenches, lawyers who are back-benchers or to lawyers who are ministers of the Crown.

MP. MURPHY: What about the previous government? They would not get entangled with them?

MR. NEARY: Well certainly not to my knowledge they did not. I do not know of one case where bond issues were handled by -

MR. J. CARTER: None at all?

MR. NEARY: Well I do not know, Sir. I could not say for sure.

MR. SMALLWOOD: They were. That is right.

MR. NEARY: They were. Maybe they were. And I am not defending it, Sir. I think it is a very unwise policy and a policy that should not be followed by any administration. If a man is supporting a government or a member of a government he should cut his strings as far as I am concerned, and not be passed out little goodies from the government.

MR. MURPHY: When the hon. gentleman was on this side he did not object.

MR. NEARY: Mr. Chairman, I am very concerned as is the hon. member for Twillingate (Mr. Smallwood) about the financial prospects of this Province. They already had trouble and I anticipate that there will be further difficulties when they go to the bond market again because of the closing of the oil refinery at Come By Chance, the trouble that is encountered with the Linerboard mill, the slow down in construction in the construction industry, the economic outlook. And Mr. Speaker, Mr. Gar Pynn, no doubt now, will be getting his job in the Department of Finance after coming out publicly yesterday and saying that there is no problem in the bond markets. The government can borrow all the money it likes. It can get all the loans it wants because the government has shown restraint and cut backs and belt tightening. And as my hon. friend pointed out so often, what restraints? \$250 million increase in expenditure this year, where is his logic? Is he teaching business administration over at the university?

MR. DOODY: Suggest some programme you want to cut out.

MR. NEARY: No, Sir, I am not going to suggest. I am not the government. If I were the government I would recall the Norma and Gladys, I would sell the Churchill Falls jet, I would

MR. NEARY: bring back the Norma and Gladys, I would eliminate extravagance and waste. I could save the government if they would only allow me, give me a minister's salary, I would save the government millions of dollars by going through with a pencil through the estimates -

MR. DOODY: Why do **you** not save your own salary and get out of here.

MR. NEARY: Mr. Speaker, the Linerboard mill alone, and, **Sir**, I will probably run out of time on this one, but, Sir, the Goose Bay operation must be the most extravagant woods operation, Sir, that was ever carried on in North America, not because they do not have the workers down there, Sir, but because, Mr. Speaker, as we have heard so often and we have stated so often, because of mismanagement by the Linerboard people. There are millions of dollars of logging equipment lying around rusting out and that is why I asked the minister a question today about what was going to happen to the equipment. I know it is being stored. It has been hidden away in Stephenville. It has been poor planning on the part of the management of the Linerboard mill. They are about 300 per cent over staffed I am told. They had eighty-five more mechanics than they needed. And that is why, Mr. Speaker, the price of wood is costing the Linerboard mill much more than it is costing Price (Nfld.) Limited or Bowaters.

Mr. Speaker, this charge has been made so often and I have it now from people who are eye witnesses. Just to get back to the Newfoundland operation for a moment, that we were talking about during the oral question period, do hon. members of this House know that millions of dollars of new logging equipment for the Newfoundland operation have been bought and that several sets of logging camps have been bought and never used, and will not be used this year. What kind of planning, Sir, is that?

MR. J. CARTER: Is the hon. gentleman reading from a prepared text?

MR. NEARY: No, Sir, I am not reading from a prepared text. I am reading from a report.

MR. NOLAN: Table it.

MR. NEARY: I will not table it. I guarantee you if I tabled it though the roof would go right off the Linerboard operation.

Mr. Speaker, I will tell you something else that hon. members of the House may not be aware of, that at the moment even though they are not going to do any logging on the Island of Newfoundland this year, does Your Honour realize that the Linerboard mill is bidding on contracts for woods, roads, bidding against private contractors and are getting the contracts because they are under-bidding them, to build woods access roads. Is this the purpose of a Crown Corporation, Sir?

My hon. friend from Stephenville (Mr. McNeil) knows that and my hon. friend could probably tell us about the equipment that I have been talking about.

MR. MCNEIL: But I must say they are improving.

MR. NEARY: They are improving. Well it is time for them to improve. The hon. the former Premier (Mr. Smallwood) accused the company of mismanagement and he had it from a pretty reliable source. And I have got it from a pretty reliable source here that there is gross negligence and mismanagement in that operation.

MR. CALLAN: More supervisors than workers.

MR. NEARY: She is top heavy with supervisors so I am told. They are over staffed by 200 per cent. At one stage of the game, Mr. Speaker, instead of sending out an expert the Minister of Mines and Energy sent out Mr. Cochrane, his executive assistant. Mr. Cochrane I believe, he may be a good man, may be a very competent man, but he is a former school teacher and he knows nothing about logging operations

MR. NEARY: and he sent out Mr. Cochrane to take a look at the whole state of affairs as far as the management of the operation was concerned and the management of the Goose Bay operation and to try to persuade management to cut back by ten per cent. A school teacher, who may be an excellent man, may be a good executive assistant, I am not coming down on the man. But, Sir, I would say that the total wages and fringe benefits that are being lashed out to imports are absolutely unbelievable. They have come in, as they have in other sections of Newfoundland, and then sent back to the Mainland for their buddies. And you have a lot of clerks who could be recruited in Newfoundland who were working there. I do not know if they are still there or not. And it would be interesting now to find out what the salary of the manager of the Linerboard mill is. Last time I heard it was \$75,000 plus a home, plus a car, plus a retirement plan, plus an insurance policy. It must be well over \$100,000 by now. Plus commissions.

MR. MCNEIL: If they do not sell much they do not have to worry about the commissions.

MR. NEARY: No, if they do not sell anything that is - Mr. Speaker, I would like to ask the minister a few questions in connection with the Linerboard operation. Who was responsible for the purchasing of millions of dollars of logging equipment before the areas were allotted to cut pulpwood? Now that is a legitimate question, a fair question that should get an answer.

Number two, Mr. Speaker, why keep a full supervisory staff for maybe twelve months out of a year without any work being done?

Number three, Sir, has the minister or his staff or the Linerboard mill people undertaken to make a comparison

MR. NEARY: on the per cord basis with Price and Bowaters regarding all supervisory and mechanical personnel? And, Mr. Speaker, have all the wood coming to Stephenville, east of Deer Lake, have the minister looked into having it transported by CNR rather than by truck? I am told, Sir, from the experts that there is no problem to have it transported by CNR. I do not know what the reason is but I would certainly like to find out why they are so interested in trucking when they can get it done cheaper by CNR who can handle it, and I would like to see a true cost of the wood, I have got some questions on the Order Paper in connection with this.

Then again is there any need to go to the Mainland to get clerical personnel? You have these gentlemen coming in here and bringing in their buddies?

These are all legitimate questions, Sir, and I know my time is running out and the hon. member for St. John's East (Mr. Marshall), who wants to go to Ottawa, would like to have a chance to speak before he goes and I am not going to prolong the debate. I would like to hear what the hon. member has to say. But once the vote of nonconfidence is taken, Sir, and I am going to vote for it for all the reasons I have given plus forty other reasons I could give.

MR. SPEAKER (DR. COLLINS): Order, please! The hon. member's time has expired.

MR. NEARY: I thank you Your Honour and I hope to get back to some other matters, Sir, when we get back to the Budget debate itself.

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

MR. W. W. MARSHALL: Mr. Speaker, I am somewhat timid to say a single word here today after aspersions cast over here by the hon. member for LaPoile (Mr. Neary) as to the dire things that are going to happen to me, so I will have to try and contain myself to avoid any possible repercussions that he threatens. I do not know if he is speaking from first hand knowledge or from inference or what have you.

Mr. Speaker, what we are discussing here is a proposed amendment, proposed by the hon. member for Burgeo-Bay d'Espoir (Mr. Simmons) to the Budget Speech. Of course, to vote for the amendment is to vote for lack of confidence in the government, it would mean that the government would have to resign if it passed. And the amendment which the hon. member proposed is that this House regrets the failure of the government to disclose completely and fully the present financial situation of the Province of Newfoundland and Labrador and the government thereof.

Now at the outset, Mr. Speaker, I would say without expecting any great surprise to be emitted from anyone that I cannot vote for that motion. If this motion were to have read, though, that this House regrets the failure of the House to be able to disclose completely and fully the present financial situation of the Province of Newfoundland and Labrador, and if by voting for that it would not be indicating lack of confidence in the government, I should be very much inclined to vote for it. Because, Mr. Speaker, having spent seventy-five and some-odd hours discussing the financial situation of this Province through the media that is presented in the House of Assembly through to the present procedures, there is no doubt in my mind that for some reason or other, be it be procedures, or be it other extraneous matters, that this House, as it presently exists, is incapable of being able to bring forth, not only to this Chamber but to the public of this Province, the real financial situation. And I think that is the first problem we have to realize and we have to tackle.

Mr. Marshall:

We have gone through seventy-five hours of estimates. And I think it is of value to ask ourselves, what did any of us possibly gain from the examination of the estimates? Are the people here in this House any more aware of the financial situation which the Province is now experiencing? Are the people outside more aware? Are the people outside and the people in this Legislature aware that sacrifices have to be made today in order to avoid the agonies that most surely are going to descend upon us in the future, with increasing voracity and strength, and with a much, much greater degree as each year goes by, of hard times and what have you.

No, Mr. Speaker, I do not believe so, and I do not think any member of this House can honestly stand on his feet and say that the House is working as a House of Assembly or any elected body is supposed to operate for this purpose. Because this is the whole reason for there being a House of Assembly or a Committee it is to examine the financial affairs of the Province, to let the people know exactly what the situation is so that you can have a responsive and responsible electorate.

This House is, Mr. Speaker, completely irrelevant, I would think, to the affairs of this Province. This House is not serving the people of this Province in a way in which it ought to be. Now in years gone by, when there was an abundance of money around, maybe it was not as important. But right now there is no more crucial issue in this country than the way in which this House is operating.

Now it is hard to talk along these lines without getting involved in partisan bickering as to who is at fault and who is not at fault, and what should be done. And I would hope to avoid that particular situation. However, I say that here we are now at the end of the time of considering \$1.25 billion, \$1,250,000,000 of expenditure from the public purse, that is coming from every family

Mr. Marshall:

in Newfoundland, both present and future, that is being borrowed, and none of us, I would say, are demonstrably any the wiser as to the situation. We now speak on a budget after an incomplete examination of the estimates. Many departments were not even discussed. There were many millions of dollars that have not been discussed. And those that were discussed, not all of them were discussed in as an effective manner as they ought to have been.

Now the purpose of examining the estimates, and this is elemental, but it probably needs to be said, the purpose of examining the estimates is to really examine how to get the government to account for its expenditures. And I would ask this House, how many times did we hear the question, what is this being spent for? with respect to an item of expenditure. Very, very few times in the whole seventy-five hours.

Now before getting into certain recommendations that I am going to make with respect to the rules of this House, and the rules changed, and I will take a few minutes from the Budget Speech on that, because I think it is extremely important, it being so that this House is ~~an~~ irrelevant as it is to the needs of our people. I cannot refrain from making an observation or two with respect to certain remarks that have been made from time to time with respect to the inadequacy of the seventy-five hours, and they came from people on the other side of the House to the effect that when we mentioned that seventy-five hours was the longest time but one that had been permitted, or not permitted, had been used since Confederation, the answer came that, oh the Opposition of the time was not really - this was the impression I got, not the words - was not very big, was not very effective and did not really - I got the imputation, I hope it was not meant because this is what I want to address myself to, but I got the definite imputation that oppositions going back in the past were not as good as this one. As I say, I do not want to get into

Mr. Marshall:

partisan bickering. I would have much preferred that some members in our own front benches would have drawn issue to it rather than somebody in the back benches, because I will not stay in this House and see people for whom all Newfoundland had a great respect years ago, that were labouring under horrendous odds; three in the Opposition at one time, five and six in the other time, not enough money to pay a salary of an executive assistant, Now the Opposition has much money in it, and more power to it, so it should have to carry on the affairs. But I remember that these people were labouring and they had no resources upon which to rely upon, and they did a most credible job, if there is ever a history, a political history of Newfoundland, and you get any penetrating and perceptive pen writing it, the role that these gentlemen played will be long remembered and will get its, it should, it must get its just desserts because they were a tremendous Opposition. The fact that the Opposition is bigger certainly does not mean that it was better, relatively speaking. So I would just like to make that notation now.

MR. SMALLWOOD: I wonder if the hon. gentleman would allow me?

MR. MARSHALL: Certainly!

MR. SMALLWOOD: Surely you would agree the whole point is that Opposition with more members in number would normally require more time to do the same thing that an Opposition of three or four or five or six or seven would normally require?

AN HON. MEMBER: Well say, eight.

MR. SMALLWOOD: Apart altogether from the quality of a smaller Opposition, the Opposition if it is smaller only in numbers, not in talent or ability or patriotism or anything else, but just in numbers, would normally not require as much time.

MR. MARSHALL: I would agree. I mean, that is obvious, You got that many more but you also have the added bit of resources.

MR. SMALLWOOD: Yes! Right!

MR. MARSHALL: You know the added resources were there and what have you.

MR. SMALLWOOD: Right!

MR. MARSHALL: But the point that I am making is, I am not saying that not more time is needed, I will get into that in a moment. And obviously if you got a bigger Opposition you are going to need more time, obviously, to develop it. But what I want to do is stand here on my feet, in record, in tribute to those people who years ago stood here, when it was a very unpopular thing, and there are not that many people here in the Legislature now who will really remember it from experience, but it was a very unpopular thing to be a member of the Opposition there. I mean I remember -

MR. SMALLWOOD: And discouraging.

MR. SMALLWOOD: And disheartening and discouraging, and I think that I will not, as I say, I can concede reasonable comparisons between now and then with respect to numbers and with respect to resources and changed situations, but I just want to record right here my vote foursquare and very, very plainly, of the fact that I do not think that this House, or that I cannot any way accept any allusions with respect to the quality of these people who stood here many years ago.

Now, when we

MR. MARSHALL: come to the seventy-five hours , how did this arise?
Mr. Speaker, I was chairman of that particular committee at the time. When we came into government the opposition was seven or eight, we had to sit all night in order to get the estimates through, and I think everybody realized there had to be some changes, And I think everybody must realize there still have to be some changes now. But seventy-five hours was set in order to avoid the charade that had to occur ever year with respect to sitting overnight to get the estimates through. This was not doing a service to the people of Newfoundland either. So we set a time, a time like they had everywhere else, and how we came up with that time, we came up with the seventy-five hours, I shall not go into that again.

But the seventy-five hours, in my view, then became a contest, became a contest in the partisan manner between the Opposition side and the Government side, and the Opposition were going to talk longer and longer and longer on the departments and see how they consumed all the time, and many departments were let go. But regardless of the reasons, and regardless whether seventy-five hours is adequate or not, there is no doubt about it that the rules have to be changed. When the rules were made, Mr. Speaker, they were not meant to be absolutely and forever. It was a change, and the view was at the time we will try it for a year or two and if it does not work then we will make changes.

Now in my view changes definitely have to be made in order to make this House relevant and I have a few suggestions to make along those lines. Now first of all the member for Burgeo - Bay d'Espoir (Mr. Simmons) made a very sensible suggestion yesterday early in his speech, I shall not comment on the latter part of it, but certainly early in the speech with respect to the limitation of time for speaking in Committee. He mentioned fifteen to twenty minutes. Now what I am going to suggest and I think ought to be done is that there ought to be a time limit in Committee for individual

MR. MARSHALL: speeches much less than the forty-five minutes.

Now we have seen in the late show, which was also brought in when the rules changed, everybody given five minutes to - a person who raises a matter gets five minutes, a minister gets five minutes to reply, and that I think has worked out very well, because somebody getting up with a matter, or somebody replying, has to discipline himself and put what he has to say within that five minute period. So I would suggest then that we should consider five minutes each person on his feet at a time and then he has to sit down. He can get up again and again, as we do, and I think that should be quite sufficient. I mean, if you cannot in five minutes make your point it is not a point really that is worth making.

The second suggestion I want to make is to re-arrange the presentation of the estimates to consider the specific subheads first and the minister's subhead last. What happens is we get on the minister's salary, which is a general -

MR. SMALLWOOD: That is good thinking.

MR. MARSHALL: - ranging debate all throughout, and then we come down to specific matters. The Committee could be much more relevant if they considered the specific matters first, and then having passed those then they got on the discussion of the minister's salary. Now I realize that that will probably take a rearrangement with the Civil Service, they will have to change their estimates, and the public servants will have to do something different, and that might be as hard to do as to blast and move a mountain, but I think that it ought to be done.

MR. SMALLWOOD: Would the hon. gentleman allow me? If he limited the time that members could use speaking to the individual items of a department's estimates, but have them done first and end up that department with the ministerial salary where the minister normally gives a broad account of his department, would the hon. gentleman limit the time of the speeches on that heading?

MR. MARSHALL: I do not know whether that would be necessary. Hopefully a lot of that would be eliminated by going through

MR. MARSHALL: the specific parts first.

MR. SMALLWOOD: Yes. Right.

MR. MARSHALL: If it became necessary, I mean, rules are not rules that should not be changed to suit the circumstances. But the fact of the matter is the estimates have been used from time to time by everybody in this House for the purpose of emitting their pet philosophies on this, that and the other thing, which is much better left to budget speeches rather than a detailed enquiry into the amounts. So that is the second suggestion.

Then if it comes at the end of the total allotted time that departments are not discussed, I think that the rule should provide that each department should have a certain period of time— say two hours, I just picked the term two hours, maybe it could be based on the amount of the expenditure—but a certain time limit at the end of the time in which the Opposition could get up for a certain period of time, say an hour and a half if we are going to take two hours, and make their points with respect to that department, and the Government could get up afterwards for a half an hour, whatever allotted time, and answer. But I do not believe, Mr. Speaker, that it was ever intended when we changed the rules, as a matter of fact I know it was not intended when we changed the rules, because I was on the Committee and actually the rules there I drafted the things, and it was not intended at the time that we would ever come to the stage when whole departments of government would not be subjected to some scrutiny, however cursory, by this House or by the Committee of Supply.

I think that is necessary. I mean, you have departments here that I am interested in — I am interested in them all, but there are two departments particularly that have not been discussed for two years in this Committee — one of them is Public Works, the other one is Tourism.

Now you take Public Works. I think it is a matter of

MR. MARSHALL: public interest, you can get this answer from the government benches at any time, but I think it is a matter of public interest. I am very concerned with Public Work insofar as the status of the plan for the government building. You remember this government building which is planned, a second Confederation Building or what have you. I have reason to remember it and I remember it quite vividly.

I assume that this building is not going ahead this year in any form because of the restraint and because of the reduction of 500 employees in the Civil Service. Certainly I do not think that we can justify the closure of hospital beds and deferment of the pupil-teacher ratio and other necessary things that the government has done, and still consider the building of a government building of that nature. But I would like to know about it.

Now from a historical point of view it might be wise to just run over it for just a few moments. Mr. Speaker, the government had originally, as this House knows, intended to house extra government offices in Wedgewood Park in a rented building that they were going to rent at the time. And they had intended, they had entered into an arrangement with respect to it, but when I resigned this resulted in cancellation of the building. Subsequently shortly thereafter it was said that tenders would be called. An announcement was made sometime later, last May, which purported to be tender calls but they were not really tender calls. They were invitations to make proposals, which are not full tender calls. I will not go into that at the present time, but in any event even if they deem them to be tender calls they cannot be acted upon now because it is so long ago. Nobody knows what the status of that building is, or as far as - I do not know. I presume it is shelved. I presume the building has to be shelved in this year of restraint, but I would

MR. MARSHALL: like somebody in the government to inform publicly the fact that it has been shelved for the duration.

In any event, Mr. Speaker, I might indicate that I am glad that this issue has been now settled, and that no action will be taken without a full tender call, and that no type of agreement will be entered into by this government, as I know it will not be, similar to the one contemplated in February of 1975 with respect to the leasing of space and the payment of \$10 million in rental over ten years, which would have paid for the building, on a private deal with a certain individual. Because if an agreement of that nature were to be entered into it would just lend farther cynicism to the relationship of the public in government. It would lead to a complete loss of faith, as far as I am concerned, in government institutions, and I suppose there is no need to belabour that point anymore, because I am glad now that I am pretty sure that all the government now agree with me, that at no cost, not even at the cost of the government itself, can we possibly see such a project ever entertained.

But that is just one aspect, the one particular interest to me in Public Works, and there are many other interests in Public Works that I have and I know that other people have; many other interests other people have in departments that have not been discussed, and there ought to be an opportunity for the dissemination of information if nothing else, as well as

MR. MARSHALL:

for the purpose of asking questions on all of these buildings. Tourism, as I mentioned, is another department that has not been discussed for two years, Mr. Speaker, two whole years. Sixteen million dollars this year in a period of restraint, \$16 million in Tourism and a period of restraint, and we have not even gone into what the monies are spent for. Now I know that Tourism is a very desirable endeavour by the government, one that must be entered into, one that cannot be taken lightly. I have no doubt that the expenditures are necessary and desirable as to the projects that are being entered into. But when we have a period of restraint, and I say when we have hospital beds closed and we have restraints on educational institutions and what have you, all of these departments, including the Department of Tourism which has such frills, I think should be discussed. When I say frills I do not mean that in a vernacular manner. I mean frills in relation to the particular times that we are in. So it should be discussed.

There is one subhead, for instance, here in Tourist Services alone where you have an amount of \$2 million being paid out. In Tourist Services you have exactly about \$2 million spent out for Publicity and Investigation. Now I think that in view of statements that have been made from time to time, and in view of the restraints that we have, that full details of what this money is being spent for should be presented to the Committee of the House, who it is intended to pay it to, if that is known, for what purposes. Because, you know, there is a lot here, for instance, for the Documentary Films, just a small amount, maybe \$100,000. For Development under Publicity and Investigation, \$800,000. Now that is a lot of money.

Mr. Speaker, if I may - I do not wish to embarrass anyone - but I am having difficulty making myself heard from the other end over the buzz of conversation.

MR. F. ROWE: Mr. Speaker, would the member allow a short question?

MR. F. ROWE:

Sir, I agree with many of the suggestions made by the hon. member for St. John's East (Mr. Marshall), but does he not think that if the budget speech was called before the consideration of the estimates, and under the shadow system that we have of cabinet shadows, that the broad policies of the department or each department could be considered during the budget speech, and therefore would allow more time for detailed consideration of the estimates, and we would not have run into the extreme difficulty we had this year, and we would have gone through more departments of government if the budget speech had been called before the consideration of the estimates?

MR. SPEAKER: Before the hon. gentleman resumes I would like to welcome on behalf of all hon. members two groups of students to the House of Assembly, one from Salt Pond Elementary School at Burin, Grade VIII students, forty-four of them, with their teacher, Mr. Moulton; and from Notre Dame Elementary School in Labrador City ten Grade VI students with their teacher, Mr. Snook. I know all hon. members join me in welcoming these young people to our Province.

SOME HON. MEMBERS: Hear, hear!

MR. MARSHALL: Mr. Speaker, in response to the question from the hon. member for Trinity-Bay de Verde (Mr. F. Rowe), this would possibly help, but I think you have got to remember the fact, too, that during the estimates we had - I do not want to get involved in this - but we had six hours talking about a basement meeting. We had a motion led in to reduce the Minister of Health's salary by the Leader of the Opposition which was discussed for six hours and then subsequently withdrawn. So, you know, the thing is that I do not feel that the estimates themselves, apart from the budget speech, the estimates are being used for the purpose for which they were intended.

So getting back to the specifics on Tourism - I digressed a little bit - on these two important departments that have not been discussed for two years, Public Works and Tourism. In the Tourism area you have this amount of money, large amounts of money paid out

MR. MARSHALL:

for Publicity Investigation. I would like to know, because it has never been put for the last two years, I would like a detailed if I could, publicly - not for me but for the public to know - a detailed explanation of what it was spent on last year, what it is proposed to be spent on this year, what benefits were derived from the expenditures last year, what benefits are expected to be derived from the expenditure this year.

So those then, Mr. Speaker, are three of the suggestions. Time limit in Committee; rearrangement of the estimates; and allowing time at the end for departments which the Opposition, because it cannot order its affairs properly, has not time to discuss, allowing at least a couple of hours anyway for each department to be discussed in estimates.

There are more though. I feel that the financial affairs of this Province - I will not dwell on this because I have spoken on it before - cannot be fully appreciated unless and until Crown corporations, crown agencies and boards, their budgets are brought before this House in detail and discussed before this House.

SOME HON. MEMBERS: Hear, hear!

MR. MARSHALL: I think that this is an absolute necessity, particularly over the past ten years when such a large amount of government functions have been delegated out to Crown corporations and out to the various boards and what have you.

MR. NEARY: Including the university.

MR. NOLAN: Does he intend to include, or would he include, or what changes would he make in terms of a thorough investigation pertaining to the university, if any?

MR. MARSHALL: Well, I would not want to digress. I have gotten into that before. Obviously I think there should be much more of a public discussion of the affairs of the university. You have got to be very careful, though, that you do not interfere with academic freedom. But matters for instance, to take the example of the management and building of

MR. MARSHALL:

buildings over there, and the management of the buildings, and contracts let with respect to the thing, have been vested in the university. And to have public debate of that is certainly not going to interfere with the hon. gentleman's academic freedom. So, you know, there is a line. But certainly Crown corporations now -

MR. SMALLWOOD: The property side?

MR. MARSHALL: The property side, yes.

MR. SMALLWOOD: Versus the scholastic.

MR. MARSHALL: Well even the scholastic, there is a little bit on the scholastic. You have to go a little bit easier. But we have been hoodwinked in a way, with our views to universities, and it goes back to years ago when all throughout the world, I suppose, where university education was not as predominant as it is today, and they used to say to the legislators, "Do not interfere with us, or anybody, do not have anything to say to us because you are interfering with academic freedom." A lot of the people whom they were talking to - you know, it was sort of a mystical group, body as it were - and they dare not question them. But I think most people nowadays would turn around and say, well you know at least this Province when it has a state university - let me put it this way - ought to have the prerogative, with its limited resources, of determining say that we want a greater emphasis, not to say how it is to be done, on, say, marine biology and marine science rather than on the classical languages. I mean, this is the way we are doing it.

SOME HON. MEMBER: Hear, hear!

MR. MARSHALL: But that is a point that may digress. So I think that Crown corporations should be brought before the House. And I look, you know, with a certain amount of amusement when I make this statement to hear the hon. gentlemen there opposite pound the table when I say that. Some of the hon. gentlemen here, I did not notice them pounding the table. Maybe they did. But it was the hon. gentlemen there opposite when I was over there saying exactly

MR. MARSHALL:

the same thing, who are looking at me with very, very stoic faces. So, you know, things do change. I try not to .

MR. SMALLWOOD: If the hon. gentleman will allow me. At that very time that we were looking impassive, behind the scenes a raging row was going on with the university. We wanted the full budget of the university to be presented to us - it never was - and by us presented to the House - and it never was.

PREMIER MOORES: Why Not?

MR. SMALLWOOD: We gave in to the university.

PREMIER MOORES: Right!

MR. MARSHALL: As everyone knows I hate partisan matters, Mr.

Speaker, and I do not want to get partisan. But I say this now, the hon. gentleman belonged to another era, if I can say, where it was not thought as important. But never mind the Memorial University. I do remember that the government of which all the hon. members there opposite so willingly embraced and followed, in 1966, for instance, brought in a law which permitted secret borrowing in cabinet. Now this is the government which took the initiative and changed that and brought it back into the people's House. So I am not really that much inclined, although I value their comments from time to time, I am not really - you know, I have to look at past experiences in relation to the desk thumping and the great smiles that I get from the other side.

Now, Mr. Speaker, those are the four things. I will come down to another couple now in the few moments that are available to me, on my observations for what they are worth. I realize they may not be thought to be worth too much, but I will make them anyway because I am an elected member. I think that we increased the House to fifty-one members in the last session, last Assembly. Now I voted for that obviously, and I supported it wholeheartedly. But I supported it probably, and I think other members probably supported it the same way; when we came into government there was a situation where there were forty-two seats and because of the force of circumstances as it were, which, shall we say -

MR. J. CARTER: Gerrymandering!

MR. MARSHALL: Well, the hon. member for St. John's North (Mr. J. Carter) said it. I did not want to, too shy! But because of the force of circumstances there was a great preponderance in the rural areas, the urban areas much underrepresented. Now we had to change that to rational, reasonable representation to spread it all around. We could have done it two ways. If we kept the forty-two seats we would have had to take away from the rural and put into the urban, which would have been a bad thing. So what we did - this is my view of it - what we did was we increased all the seats, so that the net result was that there was reasonable representation in all of Newfoundland throughout the fifty-two districts. I think it is pretty well even between 9,000 and 10,000 people in total. I think that is the distribution. Now that was the way we did it. We did it for the best of reasons, to avoid any acrimony between the rural centres and the urban centres, but at the same time to distribute the seats as they ought to have been. Now we have the seats evenly distributed in this House, and I wonder whether fifty-one members is over-governing this Province, and whether perhaps we might turn our attention, I think it would probably be a good idea to turning our attention to reducing the seats to between thirty-six and forty.

MR. NEARY: Hear, hear! I said that at the time.

MR. MARSHALL: I feel that this would be a saving and a necessary one. I think it is something that we can all consider at the present time. Now we could not consider that before, because if we considered that before all we would be doing was be drawing from the rural areas. That would have been most unfair. But now we have them evenly distributed. We have the way open by which to do it. I think it would be something that could well be considered, because I think fifty-one people are too many in here. I know some members might think the first one that should go is the hon. member speaking, but I do not know. So those, reduce the M.H.A.s. The Crown corporations must be brought before the House, and some procedure ought to be taken to do it. The limitation on the debates; I say some

MR. MARSHALL:

procedure implemented to effectively inquire into Crown corporations, like having officials before committees to answer questions as to their expenditures, to have to defend them. A time limit of five minutes and five minutes appears to me to be quite adequate. I mean, if you cannot put your thoughts together within that period of time it is not worthwhile talking about it. Rearranging of the estimates, I think, would do a lot, the way they are presented, and assuring that under no case, in no case shall there be any departments of this government that are not brought before the Committee of Supply in this House for at least some discussion. If the Opposition desires to fritter away the time, and the time is all gone and there are ten departments left, well have limits for each department for the time. But we must do something, Mr. Speaker, because there is a very real crisis in our present financial situation. This is not perceived by the people in the Province. It is not perceived by the people in this House. I have to say myself that after sitting through seventy-five hours of estimates I am not all that much more the wiser as to the financial condition of this Province than when we went into it. I am alarmed about the financial condition of this Province. I feel that the major problem facing us today is to make the public aware of the financial situation, so that if the public is aware of it then it can accept what has to be done to get this Province back on a firm foundation. I only have ten minutes to deal with certain matters of the Budget Speech. So I will have to put, I guess, some of that over into the Throne Speech. But I do have a few moments to dwell on one or two other -

AN HON. MEMBER: The member is speaking on the amendment. He can also speak on the budget.

MR. MARSHALL: I realize that. I hope I will have an opportunity then to go further. But there is one part in the Budget Speech that I do wish to further dwell on, which is on page eighteen of the Budget Speech. This is with respect to the Labrador Hydro resources. It reads, "Since the November budget this government has been working on a revised approach to the development

MR. MARSHALL:

of Labrador hydro resource. A major issue in the determination of whether the construction of the transmission lines, tunnel and interties should continue as phase one of the Gull Island project, is the negotiation of a purchase agreement with Hydro-Quebec to obtain sufficient power from the 5225 megawatt Upper Churchill Falls site on a long-term basis. In addition another major issue is the necessary arrangement with the Federal Government for financing the transmission line, tunnel and interties. These issues are still outstanding."

Now, Mr. Speaker, we have spent seventy-five hours in Committee. We all know what we have talked about. There are many issues in this Province such as unemployment, the development of the Province, the fiscal position of the Province that must be discussed, but one of the things that I know that the government will be discussing before we adjourn is the present position with respect to the Gull Island project. Now I have seen that. In the Budget Speech it said these issues are still outstanding. I understand from the answer given by the hon. the Premier today to the question, that they are still outstanding and about to be resolved. But we have this position here, as the House will remember, at the time in November 18 when this matter was going through this House at the time, that I demurred from joining the government in endorsing its policy because, at the time, I thought before any further expenditure ought to be made of any nature in this economy, or any economy for that matter, by any person, that we ought to have agreement and concurrence from the Government of Quebec with respect to the recapture of power in order to assure the financial viability of the altered version of the project, that is the construction of the power lines. We ought to also have the financing guaranteed from the Federal Government. Now at the particular time that was the position I took. Monies have been spent since. I would assume that even though these issues are outstanding, and I would assume from statements that have been made from the ministry that they concur with the position that was taken then, and which of course is the obvious one,

MR. MARSHALL:

and that they realize that this Province cannot make expenditures without these two essential prerequisites being determined. Now I will not say anything further because I understand, and would hope, that there is going to be a debate in the House of Assembly with respect to the further information on the project when it is received. The fact of the matter remains, in this particular case, it is the most important project that has been undertaken by the government. It is the most important project that is going to affect the Province for generations yet to come, and the chances are - I do not know what the state of the negotiations are, but I would hope that there is going to be, as I hope and I expect, there is going to be a full and complete debate with respect to the entire matter, because so much has happened between November and May, in the past six months, that the situation is becoming more and more crystalized. And I feel that if things occur, as I now feel they are going to occur - and, if the House will forgive me, as I, in effect, predicted they would occur last November - that if this situation occurs we have got to take another and completely different look at the development of power in the Labrador area.

Now another item that I want to mention, Mr. Speaker, arising out of the budget speech, is the position with respect to the cutting of 500 positions in the Civil Service. I do not know where they are going to occur, and I do not recall - maybe I have missed it. Maybe these details have been given. But there is one question I want to ask and that is: Will this cutting of the 500 jobs cause in anyway any reorganization or, say, another restructuring, if you will, of the government itself? How are these jobs to be cut? And, you know, what are the results that are going to pertain? Now with respect to the restructuring itself, that is another area that time does not permit me at the present time to go into, so perhaps if I get back in time for the main budget speech I will have a chat with respect to that.

MR. SMALLWOOD: Was it not suggested that it would be mostly by attrition?

MR. MARSHALL: Yes, but if it is going to be by attrition I just wonder, you know. I am thankful that it is going to be by attrition, because this is the best way, obviously, to do it. But if you are going to have 500 people less by attrition or by any other means, is there going to have to be some reorganization of the government in order to cope with the lessening of the work force in the public service itself? Because in relation it seems like a large number, certainly a necessary number, and all these steps are necessary to be taken - but I am just wondering whether it forewarns a restructuring of a minor or a major nature? As I say, I will speak about that when I speak on the main subject.

So, Mr. Speaker, there is no doubt about it, I cannot vote for this motion, "This House regrets the failure of government to disclose completely and fully the present financial situation." I think that our government has done more to reveal financial situations than the previous government had. It has done it in its borrowing bills, which will next come up - or will come up before we go - and various other things. But I do say this, that as much as the government has done with it, I would agree with the fact that we all ought to very much regret - and the people of this Province ought to very much regret - the fact that this House is by its procedures, let us put it that way, by its procedures as they apply, completely and absolutely incapable of completely and fully examining the present financial situation, making the people of this Province aware of what the situation is, and to that extent we are failing and failing miserably unless we make the changes to make this House at least relevant to some of the people in Newfoundland.

MR. SPEAKER: The hon. the member for St. John's North.

MR. J. CARTER: Mr. Speaker, some of the members on the other side of the House have had a lot to say, and when any human stands up to speak usually there is a grain of truth in what they say, or a phrase or a tincture or, as the Minister of Energy likes to say, a jot or a tittle. But I would like to suggest to this House that there has been only that amount of truth in what they have been saying.

MR. J. CARTER: And I am now speaking to the amendment which reads, "To amend the motion by striking out all the words after 'that' and substitute therefore the following: 'This House regrets the failure of the government to disclose completely and fully the present financial situation of the Province of Newfoundland and Labrador, and the government thereof'."

Now, Mr. Speaker, for those of you who are conversant with Canon Law, in order to commit a mortal sin there have to be three elements: There has to be full knowledge, full consent, and a grievous matter.

MR. SMALLWOOD: And what?

MR. J. CARTER: A grievous matter. A grievous matter. A matter has to be grievous, has to be important. I think that we all agree that the present budget and any amendments thereto are certainly a grievous matter. But I would like to argue that the government did not have full knowledge, and that not everyone in the government, or in fact, anyone in the government, gives full consent to the situation that we find ourselves in. Therefore, although I intend to speak for a few minutes, I would like to propose a sub-amendment and speak to that. The sub-amendment, Mr. Speaker, seconded by the member from Mount Scio (Dr. Winsor), reads, adding to the amendment, "But realizing the difficult situation facing the Province, and in view of the complexity of the situation absolves the government from all blame." I have a copy for the Speaker.

MR. SMALLWOOD: Beautiful! Handsome, beautiful, wise, true, profound! Just what the doctor ordered, but who is the doctor?

MR. J. CARTER: Doctor 'Ray' Winsor.

MR. SMALLWOOD: Is that what all the laughing was about here yesterday and last night?

MR. J. CARTER: That was another matter.

MR. SPEAKER: I think I would ask for a five minute adjournment to study this sub-amendment.

MR. SPEAKER: Order, please!

I will read the relevant section of May, which is the same section, but I will have to read it at a somewhat greater length than I quoted last night dealing with amendments to questions and dealing with sub-amendments as well. And this starts at page 379 at the bottom, "Object of an Amendment and Effect on Debate," and it is that paragraph which continues on the next page, 380.

"The object of an amendment may be either to modify a question in such a way as to increase its acceptability, or to present to the House a different proposition as an alternative to the original question. The latter purpose may be effected by moving to omit all or most of the words of the question after the first word of 'that' and to substitute in their place other words of a different import. In that case the debate that follows is not restricted to the amendment, but includes the purpose both of the amendment and of the motion, both matters being under the consideration of the House as alternative propositions." Honourable members will recall that this citation was quoted last night with respect to relevance on debate on the amendment.

"Now if it be intended only to modify the question by leaving out or adding words, debate should be restricted to the desirability of the omission or the addition of those words." In other words, this is a motion in the form of a sub-amendment which is relevant to the question which deals with the House regretting government's disclosure of the financial situation. It is relevant to that. It is on that general subject. And it adds to it and modifies it. It is in my opinion an unusual, perhaps, sub-amendment, but it is relevant. It does not negate it, and in my opinion it is in order. Being that kind of amendment I will just read again what is stated with respect to debate on it.

Mr. Speaker.

"If it be intended to modify the question by leaving out or adding words, debate should be restricted to the desirability of the omission or the addition of those words." So the sub-amendment in my opinion is in order. It is on the subject matter, or relevant. It is not a negation of what it proposes to amend, but that debate on it is more restricted, relevance here being the desirability, the reasons for or against the House's acceptance of the sub-amendment.

MR. NEARY: Mr. Speaker, could we have copies of it?

MR. SPEAKER: I would ask the officers of the House to have them distributed.

MR. J. CARTER: Mr. Speaker, could you please read it again.

MR. SPEAKER: I will read it again.

Moved by the hon. member for St. John's North (Mr. Carter) and seconded by the hon. member for Mount Scio (Dr. R. Winsor). Moved and seconded that the following words be added to the amendment: "But realizing the difficult situation facing the Province, and in view of the complexity of the situation, absolves the government from all blame."

MR. J. CARTER: In other words, Mr. Speaker, the theme of my remarks, in that case, will be, "Forgive them, for they know not what they do."

SOME HON. MEMBERS: Oh, oh!

MR. NEARY: No wonder the hon. Premier would look up.

MR. J. CARTEF: So the hon. members might wish to comment on that aspect of the debate. I take the position, Mr. Speaker, that the financial condition of this Province is extremely grave, and it is for that reason that I objected to our salary increase, and why I continue to object, and will continue to reject the salary increase that was voted during the consideration of the estimates.

MR. STRACHAN: Would the hon. member permit?

MR. J. CARTER: Yes.

MR. STRACHAN: Would you like to change districts and represent Labrador and live on the same salary and the same expenses?

MR. J. CARTER: I agree that it is a great hardship, but if the hon. member will bear with me I think I can point out that to accept an increase at this time, for any of us to accept an increase at this time, is irresponsible. If you look at the budget itself under Finance, and you turn to the section on the linerboard mill, you will see an amount this year under subhead 403 of \$25 million estimated, last year \$28 million, and it is called Advances to Labrador Linerboard and to Newfoundland Industrial Development Corporation in repayment of loans made by the Province of Newfoundland Industrial Development Corporation. Now, Mr. Speaker, that is a recurrent expense, and in my view, although it can be construed as capital, really means current, and that means that in actual fact we are labouring under a current account deficit of the order of some \$25 million this year. Now I do not think this will interfere with the bonds market, because the bonds market, however sophisticated it may be, it looks at Newfoundland and says, "Ah, ha! They are part of Canada. Canada is good for it. We will give them the loan." So there is not going to be any problem with us getting more money, but there will eventually come a time when we will be borrowing to pay our interest, and in fact that situation has practically arrived.

Now the civil servants are looking for a twenty-odd per cent increase in their salaries. And how can we deny that to them if we accept a twenty per cent increase ourselves? We are in the unhappy position of being able to, or being able not to, vote for a raise for ourselves, and if we accept this raise then we have to say to all the civil servants and to all the quasi civil servants and Crown corporation employees, "Right, boys, the new rule of thumb is twenty per cent."

Mr. J. Carter,

I think it is madness, and I oppose it, and I think it would give us a great deal of moral authority if we were to voluntarily turn down any such increase at this time. Now I do not argue, I will not deny that need especially for certain members, particularly members who live in remote areas. The need is very, very grave, but I am just pointing out that the government cannot afford it, in my opinion. Now maybe someone else has another opinion. I am sure they do,

MR. NEARY: If the government cannot afford it, who can?

MR. J. CARTER: Well, I am sorry, I do not think an increase at this time can be afforded. Things are tough all over. That is just the way it is. It is a question, Mr. Speaker, of what is in the till. If it is not in the till, how can you take it out? It is quite straightforward.

MR. STRACHAN: Would the hon. member permit a question? I would like to ask the member how much of a salary that he puts in his pocket? I would like to tell him that if I continue representing my district the way I am continuing it now, that I will be minus at the end of the year by at least \$3,000 or \$4,000. In other words, my whole salary is gone, plus I will be having to put in from my own pocket \$4,000 to represent my district. Now it can be fine for the member to say he represents St. John's Centre, but if that is the way it is, it is just too bad.

SOME HON. MEMBERS: Hear, hear!

MR. STRACHAN: But if we are trying to give honest representation then we do not have to be rich men to do it.

MR. SOME HON. MEMBERS: Hear, hear!

MR. NEARY: The member only comes on wet days anyway. He does not set any savoury.

MR. J. CARTER: Mercifully, Mr. Speaker. That stream of poison is not being recorded.

SOME HON. MEMBERS: Oh, oh!

MR. J. CARTER: However, to address myself to the real issue raised by the member for Eagle River (Mr. Strachan). I agree that the member is obviously suffering from hardship. However I would remind him that he knew what he was getting into. He knew the going rate, or should have known the going rate when he stood for election. Also there is a slight differential in the sense that there is an amount made available for travelling and visiting the district. Now it is not great, and it is not easy. In fact I quite sympathize with the member, but I am sorry. If the money is not in the till, it is not in the till, and I think we are blindfolding the devil in the dark to say that there is., and that we can give that kind of an increase.

MR. STRACIAN: urban communities, urban areas can be represented because it is easy to travel around. Rural areas like my area, in which it costs \$3,500 to travel through in a two week trip, cannot be represented in the House of Assembly or in government or unless you are a rich man.

MR. J. CARTER: I would certainly support a differential. There is no question about it. I think it is a very difficult differential to establish, but I would certainly favour and support a differential. So I am not trying to be callous about it. I recognize the problem and would move or would support some slight rearrangement in the vote, but I do not think that the total vote should be increased one iota.

Now the problem of course is that we do not have any discretionary income. We are locked into a great many programmes, and if you once agree to a programme, even just to keep that programme going in the following year, necessitates some natural increase. Of course the Memorial University, that has been mentioned by the previous speaker, they tell us what they want. We are not very successful in discussing it with them. In fact the present minister has gone so far as to say publicly that they are unable or unwilling, that is the university is unable or unwilling, to trim their budget according to the amount set forth in the estimates. This I find very hard to understand, but still they seem to be a law unto themselves and I agree with other speakers who say that Memorial University budget should be looked at by this House.

Now obviously you do not want to interfere with academic freedom, but I think that the phrase is overused and overworked and I would support close scrutiny of their books and let the chips fall where they may. I say it and I stand by what I say.

Some discussion has been made about the seventy-five hours, that there was not enough time. But any casual observer would have to agree that members, even to some extent on this side but certainly

MR. J. CARTER: on the other side, suffered from verbal diarrhea and went on far far too long. If they had been really interested in considering the various headings it could have been done. I had proposed some change in the rules for this year, I hope that they are considered for next year. If they are I think that seventy-five hours is a reasonable time frame in order to consider the estimates.

MR. NEARY: How would you know when your attendance record is so bad?

MR. J. CARTER: I can keep in touch.

MR. SIMMONS: Would the hon. member permit a question?

MR. J. CARTER: Yes, certainly.

MR. SIMMONS: With reference to what the member is saying about the time limit, I do not believe he was in the House last night when I was discussing this item. One of my concerns last night, and I am wondering if the member will agree, I felt strongly, and do, that had the budget debate been called before the estimates we could then have made our general comments in the budget debate, and have reserved the estimate debate for what it is intended to be, an informal exchange as the member is suggesting? Would he agree to that sequence of events, the budget speech debate being called before the estimates?

MR. J. CARTER: Yes, on the surface that makes a great deal of sense. Whether or not, once we got down to the final agreement, whether I would want that changed slightly-but there is no doubt about it that when the budget speech follows the estimates that one is raking over old coals. The suggestion that the minister's salary should be considered last in the estimates of any department has some merit, too. Although remember, that this is merely a device for speaking on anything and by tradition the Chairman of Debates has allowed the item under the minister's salary or that heading to be a catchall. Now I think any other item could equally be a catchall. In fact the catchall could be the last item when "Shall the total carry?" So it depends upon

MR. J. CARTER: tradition as opposed to a particular rule. Because no where in the rules does it say that the minister's salary shall be a catchall. It just happens that it is.

MR. SIMMONS: When you do not know when it is to be called, you tend to make general remarks during the estimates.

MR. J. CARTER: I suppose yes, but however I think we should - it is unfortunate to me that the Opposition and the Government are unable to sit down and plan a proper strategy for considering of the estimates. This I think has been proven this year more so than in any other year. I regret it as much as any other member, and in fact reference has been made to my poor attendance during the budget debate. I saw no purpose whatsoever in coming in, no purpose whatsoever. And the few times I did come in merely reinforced that conclusion.

MR. NEARY: You were busy setting the savoury.

MR. J. CARTER: I suppose the hon. member, if he does not get into Hansard, writes it all down on his walls at home. I suppose that is one way of recording it.

SOME HON. MEMBERS: Hear! Hear!

MR. J. CARTER: His bathroom walls.

I suppose, Mr. Speaker, you may rule me irrelevant if you wish, but I think that some mention of the flag could perhaps be brought in here, in a sense that the flag that is about to be considered is supposed to contain some element of our history and our tradition and if it does I think that there are a number of designs that could be considered.

For instance, if we want to recall the events of the last twenty-three years and the enormities that occurred at that time, perhaps something with stars or with stripes and bars might be more appropriate, having to do with those prominent members that either went to jail or are under the threat of jail as a result of their escapades.

MR. NEARY: Has it got anything to do with your own colleagues, 'John'? Just keep it up and we will give you a few examples of

MR. NEARY: your own colleagues.

MR. CARTER: Another possibility would be a stylized trough surrounded by pigs feeding.

MR. SPEAKER: Order, please!

MR. J. CARTER: I agree that is out of order.

MR. SPEAKER: I would not rule the hon. gentleman irrelevant, but I read, when ruling that the sub-amendment was in order, I did go on to point out that debate on this form of sub-amendment would be somewhat restricted to the desirability, the argument for or against accepting the sub-amendment.

MR. J. CARTER: Thank you, Mr. Speaker. I agree. It was a frivolous interlude.

The thing that disturbs me, though, about this present situation with the budget and the House in general, is that there is very little real debate and this is the sad, sad commentary on the House of Assembly. For instance, there should be a proper committee system. I know that there has been one proposed and the committees have been allegedly set forth. Whether or not these committees will meet, and if they meet will they discuss anything of any moment? For instance, I know it is dragging up old issues and perhaps issues that are now no longer relevant, but I would still like to sit down or stand up and have a really honest to goodness debate on the pros and cons of the harbour arterial.

Now for a while when I represented the old district of St. John's North, the harbour arterial was a boundary and therefore of immediate concern to me. And the fact that there should have been, or a cross town arterial was proposed, this was a road that would have cut right through my district and would have been a great convenience to it. And there still was a reservation or a building prohibition to allow for its eventual construction. What has happened to it I do not know, and I have always taken the position that however important and

MR. J. CARTER: whatever the merits of the harbour arterial were, the cross-town arterial was much more important.

Now we also have the ring road and the Prince Philip Highway or Prince Philip Parkway. Prince Philip Parkway is now a boundary of the new St. John's North and it is proposed that it will be broadened and widened, made into four lanes and will feed into the Trans-Canada Highway known as the Kenmount Road, or that part of the Trans-Canada Highway known as the Kenmount Road. It is said that it will take three years to widen it. Well I feel that this is an unnecessary, long time.

MR. J. CARTER:

I recall being in New York City some years ago, and one morning they were tearing up a road in Central Park. It was opposite my hotel. That evening they had paved it and that was the end of it. In one day they had torn up and paved a road. I feel that whereas we cannot expect to do it in one day, we could at least do it in one season. I cannot understand why this cannot be done quickly.

MR. MOPCAN: Money.

MR. J. CARTER: I do not think it costs any more money. If you are going to do it, you are going to do it, and it does not cost any more money to do it in one year than three. I think we could have a long debate and a real debate on school financing. I will not go into the details of what my thoughts are on it, but I think a debate on that is long overdue. Of course, we could have a long and continuing debate on the enormities of the previous government. This could go on into the -

MR. NEARY: We could have one on the present government, too.

MR. J. CARTER: By all means. By all means. Let us have a bit of criticism. I have always maintained that the lack of criticism is probably the Newfoundlander's greatest failing, the unwillingness to give or accept criticism. It is probably our greatest national failing. It certainly did not help to prevent the previous government in all the various escapades they got into.

So, Mr. Speaker, I think this has covered the few points that I wanted to cover. I have made the points I wanted to make and I therefore rest having moved and I am grateful that you allowed this motion - so I rest submitting this motion but realizing the difficult situation facing the Province and in view of the complexity of the situation, this House understood, absolves the government from all blame.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. Minister of Mines and Energy.

MR. CROSSIE: It is not often, Mr. Speaker, that in this House one gets

MR. CROSBIE:

a chance to speak on such a motion. And it is indeed very kind of the hon. gentleman from St. John's North (Mr. J. Carter) to show us the one side of his nature that is the forgiving side of his nature by suggesting this sub-amendment. But, Mr. Speaker, I think we have to make it quite clear - at least the ministry - that if the sub-amendment was passed the House would still be regretting our failure to disclose fully the present financial situation of the Province and the budget, but would say that we are absolved from all blame for the same. I think that if the sub-amendment was passed and amended, this non-confidence motion, that the ministry will certainly have to vote against the amendment as amended because it is not fact that we have failed to disclose completely and fully the present financial situation of the Province.

So while the hon. gentleman for St. John's North (Mr. J. Carter) is doing his best to correct a non-confidence motion made by the hon. gentleman opposite that is not factual and not correct, his wording is not wording that we can accept although we appreciate very much his kind intentions and the way in which he is trying to help the ministry. So while thanking him -

SOME HON. MEMBERS: Hear, hear!

MR. CROSBIE: While thanking him for this statesmanlike conduct on his part, because he is trying to do away with controversy in the House and have us all agree on an amendment, while thanking him for that I still have to say on behalf of the government that the government will be voting against this sub-amendment and of course will be voting against the amendment.

MR. J. CARTER: Would the minister permit a question? Surely the way to follow, the procedural method here in handling this rather difficult situation is to vote for the sub-amendment and then to vote against the amendment as amended.

MR. CROSBIE: Well that is a possibility that we will certainly have to take into account. I think we will have to devise a strategy to deal with this matter.

MR. SIMMONS: Have you noticed, by the way, a new finance minister has been announced?

MR. CROSBIE: But we will consider the strategy of it, Mr. Speaker, but I cannot guarantee the member for St. John's North (Mr. J. Carter) at the moment that we are going to vote for his sub-amendment because it has a slight tinge of non-confidence about it, that the situation was complex and so on. This is why we have not given the public the facts. Well, I mean, that is completely contrary. There is no blame for us to be absolved from because, Mr. Speaker, we have given the public the facts.

AN HON. MEMBER: Hear, hear!

MR. CROSBIE: Since 1972 that has been a main feature of this government. The budget speeches for the twenty-three years previously, one can safely describe every one of them as so much pap, so much attempt to disguise the true facts of the situation from the public. The budget speeches given since 1972 have been an attempt to lay out for the people of the Province who are interested what our financial position is, and just what we can do and what we plan to do, and what we can do with the finances that are available. That has been what has been happening now since 1972. It happened with the Minister of Finance's, the present Minister of Finance's first budget speech last Fall, with his budget speech brought down this Winter, with the three or four previous budget speeches, and therefore we cannot accept as justified any criticism that the financial position of this Province is not being presented fully to the Province and to the House and to the people of the Province. It has been.

It is a difficult position and despite the difficulty of the position a great deal has been accomplished. I remember hearing some criticism from the hon. member for LaPoile (Mr. Neary) there yesterday or the day before - it could be any day because he is speaking incessantly every day -

MR. NEARY: Well, is there a law against it?

MR. CROSBIE: - about what was this government going to do, what were we going to do about the present unemployment. What are our plans and so on. We have our plans and they have been outlined. But

MR. CROSBIE:

this government, Mr. Speaker, has not the power nor the finances to combat the unemployment situation in Newfoundland by itself. Only the Government of Canada - this is just a fact - only the Government of Canada has the financial capability, has the financial flexibility to do anything about, in a serious way, anything about the present unemployment in this Province and in Canada. But rather than doing anything special to overcome the unemployment in this Province they are refusing to take any special steps. That has been their position at conferences of Finance Ministers and the like, that they do not have, or they have not announced yet, certainly, any special programmes to combat unemployment other than the present programme.

They are not increasing their spending here in Newfoundland. They made a definite decision that they would not increase their DREF spending in Newfoundland this year but it would be kept at the same level as last year. So there is no help there to overcome unemployment. They have been decreasing, not increasing their expenditures on capital account in fishery facilities and public works facilities and the like in Newfoundland, not increasing it.

Now this government despite our tight financial position have still brought down before this House a budget with a capital account expenditure of some \$160 million. That is not a big programme, but despite our financial position we are forced by circumstances to ask the House to permit us to borrow more this year than we should properly do. Why? Because we are conscious of the unemployment situation, and we are conscious of the fact that there must be road work and there must be some building and some construction in the Province. That is why we are asking the House. If we were doing what should strictly be done, in a financial sense, we would not ask the House to authorize us to borrow more than perhaps \$40 million or \$50 million. But because we realize the situation, just as hon. members opposite realize it, we are asking the House - I think the amount is

MR. CROSBIE:

about correct - \$150 million?

AN HON. MEMBER: \$197 million.

MR. CROSBIE: Well, \$197 including. But that includes an amount of \$30 million or \$40 million to meet debt coming due, to repay the debt. The amount available for public works and construction and roads is about \$150 million. The rest of it is to meet principal payments coming due on bond issues that have to be retired this year. So we are doing what we can.

But hon. gentlemen get up opposite and say that the Province is in a financially stringent position. We agree.

MP. SMALLWOOD: But it is true.

MR. CROSBIE: Right and I am saying it, right here. I say it, a member of the ministry, and I have been saying it since 1972, and I said it in three budget speeches and I repeat it again. The Province is in a difficult financial position.

AN HON. MEMBER: It always has been.

MR. CROSBIE: The hon. gentlemen here all realize that, but that does not stop the Opposition from being completely inconsistent of course. And this is always true of oppositions. They are not in power. They do not have the responsibility. And they attack us for not combating unemployment more effectively. Well we cannot do both. We have not got the Bank of Canada. We do not control the currency. We cannot print money. We are restricted by what we can raise in taxes and borrow. And the Province is already taxed as high or higher in every direction than any other Province in Canada. We cannot tax more, and we are borrowing. Every hon. gentleman here says the Province has to be careful about its borrowing. The hon. former Premier keeps saying, "Oh the dangerous position we are in!" And he should know. He

MR. CROSBIE:

did his share of borrowing in his day, so that we are borrowing now more than we should because of this situation. So what else can we do? We cannot produce miracles or rabbits out of the hat to combat unemployment. We have got to look to great Uncle Ottawa. They do not chose to spend more in Newfoundland or treat us any differently than the rest of Canada at the moment. But we are talking to them hoping that they will, talking to Mr. Jamieson and others trying to get certain special things done here. We do not know whether they will do them yet or not.

MR. NEARY: The minister's colleague told them the government has a plan.

MR. CROSBIE: Yes. The government -

MR. NEARY: What plan? What is the plan?

MR. CROSBIE: We are not going to disclose any plan, Mr. Speaker, till we know it is a plan that is being carried out. We have had enough of that foolishness in this House. When we have something -

MR. NEARY: The plan no one knows about.

MR. CROSBIE: We have the plan. We are working on the plan. When we know we can carry it out, and we cannot without the help of the Federal Government, we will announce it.

MR. NEARY: Tell us what the plan is.

MR. CROSBIE: Ah! Shut up, lungs. I withdraw that, Mr. Speaker. I would appreciate it if the hon. gentleman did not interrupt me at the moment.

MR. NEARY: Why do you not tell us?

MR. CROSBIE: I have just answered. We are not telling the hon. gentleman what the plan is till we are ready. Get one of his reliable agents. Cannot his reliable agents find out what the plan is?

Now, Mr. Speaker, I have not got much time before one o'clock, and this is only a warm-up because there is a lot to be said here. But I want to correct something that the hon. gentleman from LaP@ile (Mr. Neary) has been getting on with for the last day or so about the nationalization of fishery products and the like. Now this only came up again this morning.

MR. CROSBIE:

So I have not got all the facts here. We have not had time to get all of the facts together. But Fishery Products has not been nationalized by the Government of Newfoundland. The facts are that Fishery Products since 1956 has received substantial assistance from governments in the Province of Newfoundland because governments felt it was in the provincial interest to help Fishery Products and other fish plants, other fish companies, particularly locally owned to help them develop and expand Newfoundland, to provide employment, to provide opportunities, to assist the fishery.

MR. SMALLWOOD: Surely you recognize that.

MR. CROSBIE: Well that is a fact of life. That is just a fact.

MR. SMALLWOOD: Right.

MR. CROSBIE: Now in 1956 the first agreement was entered into with Fishery Products. Since 1956 there have been various amendments, occasionally more guarantees will have to be given or in a bad season interest will have to be forgiven or postponed. That happened two or three times during the intervening period of 1972. Well the result of it was when this government came into office, this administration, that Fishery Products had direct loans from the Government of Newfoundland, the Province of \$4.8 million approximately. That is all known. It is in the public accounts. There is nothing new. So when we came to office they had direct loans from the Government of Newfoundland, of \$4.8 million, approximately. The Government of Newfoundland had a mortgage on certain of their assets, most of their plants and I think some of their trawlers were covered. There had been amendments to that and the confusing series of amendments six or eight times during those eighteen years, fourteen years, whatever the period is. So the Province of Newfoundland was already deeply involved with Fishery Products and as well with other fish companies in this Province for the last twenty years.

MR. SMALLWOOD: Just as lively so.

MR. CROSBIE: Exactly. But one of the problems in Newfoundland is that private individuals or private businesses cannot generate enough capital

MR. CROSBIE:

to expand operations and to carry on, -

MR. SMALLWOOD: Right.

MR. CROSBIE: - that the people who own them have not sufficient money. They may make good incomes and so on, but they have not got millions and millions of dollars that they can reinvest and put back and so on. Therefore, if there is to be any of that kind of activity in Newfoundland, the government which is the only capital collecting agent in the Province of any size with the exception of two or three pulp and paper mills and so on, has to assist them. That is the policy. We have continued to assist Fishery Products. Because Fishery Products has exhibited fairly decent management and because they are aggressive and because they take initiative and because they are interested in this Province -

MR. SMALLWOOD: You cannot deny that.

MR. CROSBIE: Arthur Monroe and Dennie Monroe and Gus Etchegary and the people there. They are doing a job, not just for themselves, but for the Province. We have had to help them further -

MR. SMALLWOOD: Right.

MR. CROSBIE: - in addition to what the previous government did. Now in doing that we took a hard-nosed approach with them. We have said, "Fine, you have to have further assistance." And the assistance, a \$2 million guarantee of a bank loan, which was discussed in this House by the way last year - it had to be an amendment to the Loan Guarantee Act - they needed at the end of 1974, the industry was going through a bad period and we will all remember the strike was commencing, the trawler fishermen's strike - they were in difficulties, cash flow position and so on - they asked the government to guarantee a loan for them from the bank of \$2 million. I was involved in it as Minister of Finance and later as Minister of Fisheries. We said, "All right if we have to give you further financial assistance or provide further financial assistance we want changes in your old agreements that will give the Province of Newfoundland better protection." There was a question, Mr. Speaker, of could they operate their inshore fishing plants last year in 1975, Twillingate, St. Anthony,

MR. CROSBIE:

and Port au Choix, that they did not think they could open their inshore fishing plants if government did not assist them. We said, "Yes, we will assist you financially in opening your inshore fishing plants and we will agree on some formula that if you lose money while you operate them we will meet your losses." So they were able to open - Port au Choix, Twillingate and St. Anthony last year. We do not apologize for that.

MR. SMALLWOOD: Catalina?

MR. CROSBIE: Well they are now with their trawlers. They did not need special assistance for Catalina. A couple of years ago - the hon. member for Twillingate (Mr. Smallwood) mentions Catalina - we made it possible for them to go ahead and keep Catalina opened all year by arranging lease financing for their acquiring three new trawlers to operate from Catalina.

MR. SMALLWOOD: We did that.

MR. CROSBIE: No, these are an additional three. You assisted.

MR. SMALLWOOD: It is the same thing.

MR. CROSBIE: No, no, we did new.

MR. SMALLWOOD: You did?

MR. HICKMAN: Yes, we did three more.

MR. CROSBIE: We did three more.

MR. SMALLWOOD: Well now we did three before.

MR. CROSBIE: You were good too.

MR. SMALLWOOD: That is right.

MR. CROSBIE: The hon. gentleman did some good things. We are only continuing his policy with it, maybe a few refinements. Now, three further new trawlers for Catalina, and we did that. We announced a new policy that if a company could arrange lease financing to acquire trawlers we would guarantee half the lease payments. In effect that is guaranteeing half their borrowing because the financiers will not lend to these companies on their own credit. But we said, "We are prepared to guarantee 50 per cent lease payments if they can arrange to build trawlers through leasing." Fishery Products did and three trawlers were acquired by them,

MR. CROSBIE:

built in Norway. They operate to Catalina and it operates all year round and provides employment there all year round and so on. It is great. There is nothing wrong with that.

Anyway when Fishery Products said they had to have more assistance, we said, "Okay the time has come now for the Province to get more protection." Now one of the things we had discovered was that we had never had a mortgage on the plant at Port au Choix. Somehow or other down through the years the Port au Choix plant which is now quite valuable and important had not been included. So we said, "We want a mortgage on the plant at Port au Choix." We discovered there were certain trawlers where we had not got a first mortgage on the trawlers. Maybe they had been encumbered in earlier years and those encumbrances were paid off. So we said, "We want these trawlers included in the first mortgage." There was a provision in their loan arrangements with the Smallwood administration that if they paid off the principal or any part of the \$4.8 million principal loan before a certain period, which I have not got here right available now, if they paid off any principal payments they made before 1980 they would get credit for fifty cents. In other words, if they paid \$1 million they would get a credit for another half million and would not have to pay off the half million.

Now we thought they already had too favourable an arrangement because the \$4.8 million loan, Mr. Speaker, they do not have to make any principal payments on it till 1980. Then they had from 1980 to the year 2000 to pay off the \$4.8 million, no principal payments for - I do not know how long it was - fifteen or twenty years. Then at 1980 they had to start making principal payments. If they made them in a certain period they are going to get credit for fifty cents on the dollar. We said, "That is enough of that. This is a piece of foolishness. We are not going to continue that concession. That has to come out. If we help you further that has got to come out." They agreed to it coming out. So now when they make their principal payments they will get credit

MR. CROSBIE:

dollar for dollar and not anything extra because they pay them off. I do not know why that was agreed to originally but anyway it was a concession that they had to give up. There were some other concessions they had to give up.

Now Fishery Products is operating in practically every corner of this Province. But it can only operate if it has the right cash flow and the financing.

MR. SMALLWOOD: Would the minister allow me?

MR. CROSBIE: Yes.

MR. SMALLWOOD: Does the minister realize that that company employs more people -

MR. NEARY: 3,500.

MR. SMALLWOOD: - employs more people than do Bowaters and Price mill at Grand Falls - direct employment by those two mills does not equal the employment by this one fishing company.

MR. CROSBIE: Well that may be true, Mr. Speaker.

MR. SMALLWOOD: It is true.

MR. CROSBIE: I know that they provide a tremendous amount of employment, certainly I would say more direct employment than the two mills together.

MR. SMALLWOOD: Right.

MR. CROSBIE: They are a major force in this Province.

MR. CROSBIE: in this Province. If Munroes and Etchegary were not there running it, we would have to try to run it. As I have said in this House before, we have enough to try to run our own departments.

MR. SMALLWOOD: Or find some other company.

MR. CROSBIE: Or we would have to find some other company. Now we have a poor record in this Province of companies coming in here from outside that have no interest in this Province, and as soon as they get in difficulties off they go again. The last illustration is Jannock, Atlantic Fish, at Marystown. And before that the last Premier had a poor experience with Ross, Lever Brothers, Birdseye, and so on. They come in here but when the going gets tough, off they go. They have no social responsibility to Newfoundland. They have to look at; are they suffering losses and so on. They operate on that basis. But the companies that are located here, that are owned in Newfoundland are different. Their owners and managers live in Newfoundland. Their interest is not just in their own companies, but in Newfoundland.

We may disagree with Spencer Lake and some of his views, but no one can disagree with the fact that Spencer Lake is a real Newfoundlander who believes in boosting Newfoundland and developing Newfoundland.

MR. SMALLWOOD: Hear, hear!

MR. CROSBIE: Or Arthur Monroe or Denny Monroe or Mr. Russell the -

MR. SMALLWOOD: And his two boys.

MR. CROSBIE: Mr. Hazen Russell and his two sons, and others who were in the fish business. The moores when they were in it.

MR. NEARY: T.J.Hardy.

MR. CROSBIE: So we are much better off in the government's view assisting our own locally owned companies. That is our policy now. That is our policy. It will have to be something unusual to change it. Where we have a choice we are going to assist local,

MR. CROSBIE: Newfoundland owned companies in the fishing business and not others, because they have some kind of a commitment to the Province that the others do not. Naturally you do not expect them to have it. I do not expect Jannock to have a commitment to the Province. They are owned by shareholders across Canada. If they start losing money the management gets rapped on the knuckles by the shareholders and kicked out at the next annual meeting and so on. So they are not going to stay in Newfoundland suffering losses when they can terminate and get out.

But to come back to Fishery Products. So now Fishery Products, among the other changes we wanted were these: We said that there was too much debt in Fishery Products. There was the \$4.8 million, that is all debt, and then they had debt to the bank and loans from the federal government, all of which they had to pay interest on. And we are guaranteeing a \$2 million additional bank loan, and that is more interest, to try to get them on a basis where they have more equity and less debt but the Province suffers no loss. So what we did was, we suggested - and by the way, on the old original loan they are only paying three-and-a-quarter per cent interest. Imagine what a benefit that is to them or was to them. There-and-a-quarter per cent interest when the going rate in the last five years has been 9, 10 or 11 per cent. But under this old arrangement they paid only three-and-a-quarter per cent interest. So we proposed and they have accepted, and it is in the agreement the Minister of Finance tabled today, that the \$4.8 million that was all debt be changed so that \$3 million of it, approximately, is changed into preferred shares, redeemable preferred shares, and with an interest rate on the redeemable preferred shares, which they only have to pay if they make money, and after five years, I think, it becomes punitive, and these are voting shares, so the Province can vote them. And the other \$1.8 million stays as debt, but the interest rate on the \$1.8 million has gone up from three-and-a-quarter per cent to eight and one-half per cent. So we will still get the same amount of

MR. CROSBIE: interest on the \$1.8 million as we were getting on the whole \$4.8 million. But now \$3 million of the \$4.8 is changed into redeemable preferred shares. They are voting shares. If they make money over the years they can redeem them and reduce our interest in the business. If they do not, then we continue to vote and we have 40 per cent of the voting shares, I believe it is, of the company at the moment.

Now there is another provision that says that they can only make payments if the cash flow has reached a certain formula that the accountants evolve, that we have the option in the next two or three years, if they fail to pay on their indebtedness or fail to pay us what they are supposed to pay us, to convert the other \$1.8 million into voting shares also, and control the company so that we will not have to go through torturous foreclosure proceedings under the mortgage and all these other things that have great difficulties attached to them.

If the company falters, or if the company cannot meet its obligations, or if we do not think it is managed satisfactorily, or if we do not think that it is achieving the objectives that we think it should achieve for the Province of Newfoundland, we can convert the rest of the debt, as I recall it, into redeemable preferred voting shares and we will have voting control of the company.

MR. NOLAN: Would the minister permit a question?

MR. CROSBIE: Yes.

MR. NOLAN: It is on something the minister mentioned earlier and that is, in the past it has often times been the custom that when large amounts of money are loaned to firms, for what ever reason, that a top ranking civil servant has been appointed perhaps as a member of the directorship of the board. It has often been my feeling, and still is, that he is a busy official, has not had time to keep a close watch on the company and the public money involved, and I am sure the minister knows of ways of funnelling off money into other companies and so on, and I am

MR. NOLAN: wondering in what way, if any, the government has changed this situation? I do not believe we were properly protected before.

MR. CROSBIE: Well that is part now of the new agreement. There was a weakness also in the old agreements in that they only provided for one government director on the Board of Directors of Fishery Products Limited. One is not enough. The new agreement provides for two government directors. But not only that, that the two government directors are to be on a Management Committee of five, so that the two government directors are on the Management Committee.

MR. NOLAN: So that one can attend all meetings.

MR. CROSBIE: Right. They either have to attend or be told what is happening. And there is a five man Management Committee. Two of them from the other Fishery Products Directors and one, I believe, is an outside chartered accountant. I will have to check that to make sure. So the two government directors are now on the Management Committee and under the agreement the company had to get authority from the Management Committee for all expenditures in excess of, I think the figure is -

MR. NEARY: Is \$10,000.

MR. CROSBIE: \$10,000, and certain other decisions like that so that our two directors are now on the Management Committee and the company cannot function without their being fully informed of what is happening. Now the two officials at the moment are the Deputy Minister of Fisheries, Gordon Slade, and the Assistant Deputy Minister of Finance, Mr. Warner. They are the two representatives on the Management Committee.

Now the management control is still in the hands of Fishery Products, it is still privately owned, but if in the next two or three years there are any difficulties or they cannot meet their obligations or anything of that nature, government does have the right to get control of over 50 per cent of the voting shares and just put in a new board of directors and start to operate

MR. CROSBIE: the company without having to go under the mortgage and foreclosure or anything like that. So this is a very -

MR. NOLAN: Are you saying that we are not getting any more money down there?

MR. CROSBIE: No, now the agreement that the hon. gentleman from LaPoile got his hands on recently, somehow or other, is another thing that had to be done. There had to be a consolidation of all of these previous agreements. So you would have one document to look at and know what the situation is between Fishery Products.

MR. NEARY: It is a good agreement, by the way.

MR. CROSBIE: Right, and I thank you. I asked Mr. Cyril Greene, two years ago I guess it was now, to start that process. He did start the process and he consolidated all the agreements and just three or four months ago the work was finally finished. Now this one consolidated agreement which contains the agreement of last year which I am describing, you know, which was amendments to the old agreement, so now it is all together in one agreement. I believe there is a copy now of that one consolidated agreement tabled in the House.

But, Mr. Speaker, the important thing is that we have assisted Fishery Products because Fishery Products is of the utmost importance to this Province. That we have taken steps to improve the position of the Province vis-a-vis Fishery Products, we have improved the agreement, we have improved the protection for the Province, we have more control over them now, we know exactly what is happening to them month by month. Our officials are involved, closely involved with them. They can still make their own decision. They are still managing it themselves. We are not telling them what their labour-relations policy should be or anything else.

MR. NEARY: They can make their own decision with limitations.

MR. CROSBIE: Well, for anything major they have to get the

MR. CROSBIE: consent of the government directors, and the government directors will have to ask the government if it is some major programme of expansion or whatever.

So the agreement with them is being improved, I believe. In these particulars and I tried to give the main particulars and if anybody reads the consolidated agreement carefully I think they will find most of these points are covered. So that is the position on

Mr. Crosbie.

Fishery Products. Nothing sinister. We have not nationalized them. We do not want to nationalize them. We do not think it is necessary. And as a result of the assistance that we gave them last year they operated all year.

MR. SMALLWOOD: Nobody has said that there was anything sinister. It is an excellent arrangement that has been made - nothing sinister.

MR. NEARY: It came pretty close to nationalization.

MR. CROSBIE: Maybe I misunderstood the member for LaPoile (Mr. Neary).

MR. SMALLWOOD: That is what he said. That it was pretty close to nationalization.

MR. CROSBIE: Well, I thought he was berating this arrangement.

MR. SMALLWOOD: No!

MR. NEARY: Oh, no!

MR. SMALLWOOD: No, what he was berating is what the minister has raised yet and that is -

MR. CROSBIE: Atlantic Fish,

MR. SMALLWOOD: Yes.

MR. CROSBIE: Well, there is not enough time to deal with that properly.

MR. SMALLWOOD: No, we will do that Monday.

MR. CROSBIE: But I will go on to Atlantic Fish on Monday.

Now, Mr. Speaker, there is no point starting Atlantic Fish.

Now the estimates. Mr. Speaker, it does not matter what the rules are in this House. You know, there will only be proper consideration of the business of this House if both sides of the House co-operated together to achieve it, but that is not done in this House, and it was not done last year, and it was not done the year before. Seventy-five hours is more than adequate to cover the estimates, the spending estimates of the government. In Ottawa I believe they have six days, and here we have seventy-five hours.

Mr. Crosbie.

There have been some suggestions made that could improve the procedure such as leaving the general debate - that was one good suggestion made today - leave the general debate on the department until the end. I mean that is something that could be introduced certainly next year. I think that is a good idea. We could agree with the Opposition if they had asked us or suggested it to allot so many hours to each department. If they wanted to say, now look there is seventy-five, and we think we are going to use all seventy-five, and here is how we would like to see the time spent.

MR. SMALLWOOD: Would the minister not agree that most of the speeches made on the estimates were speeches that would better have been made in the budget speech and ought to have been so had their been a budget speech, a budget debate?

MR. PECKFORD: Sure we said during the estimates that there was going to be a budget debate but everybody kept right on.

MR. CROSBIE: That is right.

Mr. Speaker, there can be a budget debate -

MR. SMALLWOOD: The obvious thing is to have the budget debate first.

MR. PECKFORD: But that did not happen, but everybody knew the cause.

MR. SMALLWOOD: But it ought to have happened.

MR. CROSBIE: But that is not the cause of this situation. The cause of this is that the estimates are being used for wrong purposes. The members are not really interested in the details of what the money is going to be spent on, but certain members are interested in making speeches on every possible occasion and during the consideration of the estimates your opportunities for speeches are unlimited. Because if you are allowed to get up for forty-five minutes, and then you sit down, and somebody else speaks for a few minutes, you can hop up again so that the windbags and the publicity seekers of the House - and there are a few - can get up an indefinite number of times and waste hours

Mr Crosbie.

while the estimates are being considered. So there is no reason why next year the House Leaders cannot agree that we will spend six hours on Finance or whatever it is, and seven on Mines and Energy, and ten on Fisheries. You know, whatever the Opposition desires. I cannot see, you know - these things can be done if there is good will. The trouble is that there is not good will or the House does not function properly. I will not say that the fault is all one-sided, but this is the fact. So it does not matter whether we had seventy-five hours or we had one hundred this year or one hundred and thirty, we would have been here until August with the same things going on, the same loquacious member or members, up down every day, up and down every day like a Jack-in-the-box, and still the estimates would not have been covered and nobody would have been asking about the details.

Mr. Speaker, could I adjourn this debate?

The House Leader is not here, Mr. Speaker, so I would like to move that the House at its rising do adjourn until Monday, May 17, 1976 at 2:00 P.M.

MR. SPEAKER: It is moved and seconded that this House do now adjourn until tomorrow Monday, May 17, 1976 at 2:00 P.M. Those in favour "aye." Contrary "nay." Carried.

This House now stands adjourned until tomorrow Monday, May 17, 1976 at 2:00 P.M.

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