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SPEAKER; THE HONOURABLE GERALD RYAN OTTENHEIMER

The House met at 2:00 P.M.

Mr. Speaker in the Chair.

MP. SPEAKER: Order, please!

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

MR. CROSBIE: Mr. Speaker, I am sure the House would like to pass a resolution in connection with the passing last week of the widow of the late A.E. Hickman who was at one time Prime Minister of the Island or of the Dominion of Newfoundland in the pre-Confederation days.

Mrs. Hickman who was ninety - her husband died in 1943, I believe - is our last connection, I would think, to the pre-Confederation House of Assembly. Certainly she is the last surviving widow of any Premier or Prime Minister of the pre-1949 days of this House of Assembly. So with the concurrence of the House Leader of the official Opposition, I would like to move that the House send the usual resolution of sympathy and passion to Mrs. Hickman and her survivors.

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

MP. PONE: Mr. Speaker, I would like on behalf of my colleagues to endorse the remarks by the Minister of Mines and Energy and it is only my pleasure to second the motion.

MP. SPEAKER: The hon. member for Twillingate.

MP. SMALLWOOD: Mr. Speaker, I was a very close and rather intimate friend of the last Prime Minister, the husband of the late Mrs. Hickman. I was in very, very close association indeed with him when he was leader of the Opposition. He never did become Prime Minister. He was leader of the Opposition. And it was felt that there was no way in which he could possibly win the Premiership of the Province. So efforts were made to induce him to retire. He was without a doubt one of the ablest businessmen that this Island ever produced. He was an extraordinarily able businessman and an extremely successful one.

His widow reached the astonishing age of ninety year of age, which is a very fine age indeed. It is echo of the past truly. Mr.

MR. SMALLWOOD:

Hickman was elected in the district of Bay de Verde, I believe, as one of two men elected at the same time - it was a two man district I believe - as one of two men, the other being the late Sir John Crosbie, two men being elected one Liberal and one not, using the labels of that time. He was subsequently elected two or three times in that constituency. Though I have a feeling that he once ran for and was elected in Port De Grave. But then I think that Sir John Crosbie did the same thing. I believe that Sir John Crosbie also was elected for the district of Port De Grave. But Bay De Verde was the base, the political base of both hon. gentlemen.

It brings back a lot of memories to me to hear of the passing of Mrs. Hickman. I did not dream that she was still living. I wonder how many others are living in Newfoundland today that we do not dream of, we do not suspect them to be still living, that we would have assumed had passed on years and years ago. I certainly join with the hon. minister in the resolution that he has proposed.

MR. SPEAKER: Let it be noted that an appropriate copy of the sentiments of the House will be sent.

I should before calling for Ministerial Statements now welcome to the galleries this afternoon thirty-one students from Sunnyside Integrated School. They are Grade VIII students accompanied by their teacher, Mr. B. Stagg. On behalf of all hon. members I welcome the young people to the House of Assembly and hope that your visit will be an interesting one and an instructive one.

SOME HON. MEMBERS: Hear, hear!

STATEMENTS BY MINISTERS:

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

MR. PECKFORD: Mr. Speaker, for some time now the provincial government has recognized the need for a plan to protect buyers of new homes against substandard construction by builders or failure on the part of the builders due to bankruptcy or abandonment. Since 1972 representatives of the federal and provincial governments together with various lending institutions, consumer associations and builders have met and discussed a proposed national warranty and insurance plan. However, this scheme was later shelved as a number of the provinces did not agree with the plan. Subsequently provinces such as Alberta and Manitoba put into effect their own warranty programme.

Following this setback active negotiations and discussions took place on the introduction of a home warranty programme for the Atlantic Provinces. Nova Scotia, New Brunswick and Newfoundland members of the Housing and Urban Development Association of Canada, briefly known as HUDAC, together with the residential section of the Prince Edward Island Construction Association, have now proposed to the ministers responsible for housing in the Atlantic Provinces a warranty plan based on that presently in effect in Alberta.

Ministers of Housing and housing officials from the four Atlantic Provinces together with representatives from industry will meet on Wednesday, May 19 at the Holiday Inn in St. John's and a final decision is expected on a regional warranty plan for the Atlantic Provinces.

I might go on to add, Mr. Speaker, that in meetings earlier, about two months ago, the Ministers of Housing asked the industry, HUDAC and also the PEI Construction Association that if they presented to us within forty-five days not only the kind of plan that was presently in existence in Alberta, which we were aware of anyway, but their budgets, how they intended to run the programme and very detailed cost analysis of the whole plan, how they anticipated carrying it out in all the provinces, that if they did that within forty-five days we would respond to them within forty-five days in

MR. PECKFORD:

an effort to expedite this kind of programme which is badly needed in the Atlantic Provinces. They have responded within forty-five days and it is hoped that we will respond on Wednesday to the industry.

It is further hoped that before this year is out, and several months before this year is out, this home warranty insurance scheme will be in existence in all the Atlantic Provinces.

SOME HON. MEMBERS: Hear, hear!

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

MR. SIMMONS: Mr. Speaker, I would like to say a word on behalf of my colleagues here in the official Opposition. I and my colleagues welcome the indications from the Minister of Municipal Affairs and Housing. I am looking forward to an announcement following the meetings on the nineteenth of the month. I hope that he can then inform us and inform the people of Newfoundland that he has brought to a successful conclusion an item that he has been working on for some time. I personally would like to commend the minister for the initiative that he has taken on this matter. It has been a matter that has been a subject of some dialogue and a considerable amount of comment from him.

I believe the advent of a home warranty plan for the people of this Province, for the home owners will be a very welcome fact indeed. It is another area where some initiatives are required by government to protect the consumer. I am delighted to see the government getting actively involved in this particular area. Once we hear the announcement, hear the details, hear what it is going to cost the individual home owner, of course, we will be in more of a position to make some detailed comment on it. But we certainly endorse wholeheartedly the principle which the minister is pursuing.

MR. SPEAKER: The hon. member for Twillingate.

MR. SMALLWOOD: Mr. Speaker, it is beginning to get to be a bit monotonous but I have risen in my place so often in this session to congratulate ministers in the administration on steps taken by them

MR. STALLWOOD:

or announced to be taken by them that I would almost welcome something that I could oppose. They are to be commended as the last hon. gentleman said. They are to be commended. They are to be congratulated. I know this much, that the Premier must be very proud to have so large a number as he has got of young, energetic ministers, energetic, young and ambitious and determined to make a mark for themselves in the history of our Island, of our Province. The latest of them is the Minister of Municipal Affairs and Housing who I may say is a revelation to me. I never saw him in action until I came into this House as a member a few months ago, five or six months ago. He is one of a whole batch of young turks sitting immediately opposite me led by the venerable Minister of Finance who by comparison is an oldster. But nevertheless sitting as he is with these young turks he must feel that much younger and that much more youthful. I do congratulate not only the minister but that whole batch sitting there in that section that I am so proud to have the honour to be sitting opposite.

PRESENTING PETITIONS:

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

MR. HODDER: Mr. Speaker, I beg leave to present a petition on behalf of the 275 residents of the communities of Three Rock Cove and Mainland in the district of Port au Port. The prayer of the petition is that we, the undersigned, wish to have the road to and through the communities of Three Rock Cove and Mainland properly upgraded and maintained.

Mr. Speaker, the children from Three Rock Cove all go to school in Lourdes. The children of Mainland above Grade II must also travel to Lourdes, which is a distance of twelve miles one way, and twenty-four miles return each day. Those children are being tortured to death on school buses. This morning the school bus from Mainland to Lourdes was empty because the parents in that community refused to send their children to school because of the

MR. HODDER:

road conditions. I recently wrote the Minister of Transportation and Communications about this road and I was informed that the department had spent \$50,000 on the road last year and the letter stated that it was the opinion of the minister that the road would now adequately be maintained with the men and equipment that are presently on the Port au Port Peninsula.

The \$50,000 was spent mostly in the community of Mainland, but the road through Three Rock Cove and beyond was not upgraded and if there was \$50,000 spent there it did not go very far since only about one quarter of the road had anything done with it. I would invite the minister to come out and have a look at the road as well as other roads in the district. This road breaks up every Spring and this year a half-load limit was placed on it. As well the road lies close to the sea shore and the prevailing wind blows the sand and gravel from the road during the dry parts of the year and leaves the road in rough, rocky condition. Also the type of gravel that is put on the road is sandy and this just adds to the problem.

I feel that over the past eight years that there have been more complaints from residents of this area than from any other road in that district and possibly in Western Newfoundland. The local people with the Department of Transportation and Communications in Stephenville have told me that they need more money to put the road in proper condition. I feel that it is essential that this area receive extra help. Of course the final solution would be paving.

An incident that happened a week and a half ago was that a grader got stuck in the road, a grader that was grading the road got stuck in the road near Three Rock Cove and blocked traffic. Last week I drove over that road and I can personally assure the minister that the road is in very bad condition. My car has a broken shock to prove it. Mr. Speaker, there are approximately 1,000 people living in those communities. They have had to put up with

MR. HODDER:

an inferior road for a long time. I ask the Minister of Transportation and Communications to do something to put this matter right. I ask that the petition be referred to the department to which it relates.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. member for Fortune-Hermitage.

MR. J. WINSOP: Mr. Speaker, I certainly would like to support the petition as presented by my colleague for Port au Port (Mr. Hodder). Obviously the road is in terrible condition and the kids are having a rough time going over it. If the grader got stuck it must be really bad.

MR. J. WINSOR: It is called Three Rock Cove. Apparently there are more rocks than three there, and I certainly think that although the Minister of Transport has got quite a bit on his plate now he is going to have to take care of a little more. I have much pleasure in supporting that petition.

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

MR. MORGAN: Mr. Speaker, in commenting on the petition from the residents of Three Rock Cove and the Mainland that I can assure the hon. gentleman who presented the petition to the House of Assembly that I will be looking at that road in the next number of days and if at all possible, if my schedule allows me to do so, I will be travelling to that area hopefully in the next number of days and take a look first hand.

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES:

MR. NEARY: Mr. Speaker, since the government have refused, Sir, to table the report between the Mooring Cove Building Company Limited and Fishery Products Marystown Limited and Fishery Products Limited, it gives me great pleasure to table the agreement, Sir.

MR. DOODY: That is only one of them.

MR. PECKFORD: Where are the other five?

MR. NEARY: I will table it one day at a time.

ORAL QUESTIONS:

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

MR. ROBERTS: Mr. Speaker, in the absence of both the Premier and the House Leader perhaps the Minister of Justice can answer my question, in view of the fact that the Supreme Court of Canada have rejected the application for leave to appeal made in behalf of the former member for Bonavista North (Mr. Cross), can we now

MR. ROBERTS: have an announcement of when the people of Bonavista North will be allowed to elect a member to represent them in the House of Assembly, Sir?

MR. HICKMAN: That announcement, I am sure, Mr. Speaker, will be made by the hon. the Premier in due course.

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, could the Minister of Mines and Energy, Sir, tell the House if the government has yet received any firm proposals in connection with the revitalization or the reopening of the Come By Chance Oil Refinery?

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

MR. GROSJE: There is no change in the situation, Mr. Speaker.

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

MR. FLIGHT: To the Minister of Transportation and Communications, Mr. Speaker. Would the minister advise the House now that the tender for the reconstruction of the one mile on the Trans-Canada West of Grand Falls is called, but I note that the tender call itself does not close until the 6th. of June, which is over three weeks, so it will be presumable it will be a couple of more weeks before any work is started. The question, of course, is will the main Trans-Canada Highway be kept closed? Now that the water levels are gone down, there is no more danger there right now, right today, than there would be in any other strip of the road. Now will the road be opened or will we continue to use the detour?

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

MR. MORGAN: Mr. Speaker, that section of highway, the hon. gentleman is correct, tenders have now been called. They will be closing I think it is June 3rd., not June 6th. In the early part of June they are closing and we are hoping the successful bidder will be in a position to commence work immediately. In the meantime I have issued instructions to the Grand Falls Regional Office to use the maintenance crews to carry out improvements on the detour, the

MR. MORGAN: road uses a detour, and to carry on with the work on that section of road to carry out further improvement.

Then I have also issued instructions to have that same section of road covered with liquid calcium to retain the dust and if we see the situation is not to the satisfaction of the motorist there is a possibility we may have to pave that small section for the summer period. Because my intention is to keep that section of the Trans-Canada closed until the construction is carried out.

MR. SIMONS: Mr. Speaker -

MR. SPEAKER: The hon. member for Burgeo - Bay d'Espoir. But before recognizing him I would like to welcome to the galleries some additional students, apart from those from Sunnyside who were welcomed earlier, and that is approximately seventy-five students from St. Mark's Elementary School, grade seven and grade eight students from Shearstown along with their teachers Mr. Barrett, Mr. Bishop and Mrs. Moores, and to these students and teachers as well from Shearstown on behalf of all hon. members I extend a welcome and the hope that your visit here will be an interesting one.

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

MR. SIMMONS: On a supplementary. Just for clarification I was not following the minister completely. He mentioned the calcium, but did he indicate there is going to be some upgrading of the road, the detour, as well?

MR. LUNDRIGAN: It is on an angle.

MR. SIMMONS: No, no. Of the detour I am talking about now.

MR. MORGAN: Yes, Mr. Speaker, I indicated that there are being, in fact now there are improvements being carried out. This will continue by our maintenance crews. And when the road, the detour is reconstructed to a level we think is satisfactory for this Summer we will then cover the road with liquid calcium and hopefully this will be sufficient for the period while the main Trans-Canada is under reconstruction and that work is carried out. But if not there is a possibility we may look at the possibility of paving the detour as well for the Summer period, just a layer of asphalt.

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, I would like to ask the Minister of Transportation and Communications why it is at this late date that between 30,000 and 40,000 motor vehicles have not been licensed? Could the minister give the House some reason for that?

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

MR. MORGAN: Mr. Speaker, that is a very difficult question to answer. It depends on the individual owners of these motor vehicles, when they want to license these vehicles. I am of the opinion that many of these vehicles are not commercial but vacation sports type vehicles, for example, camper trailers and of that nature. But it is up to the individuals themselves when they want to license their vehicles, the owners of the vehicles.

MR. NEARY: Well, Mr. Speaker, a supplementary question. Would the minister indicate to the House if it is the high insurance rates that is stopping people from licensing these vehicles? A lot of them are motor cars by the way, not just commercial vehicles.

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

MR. MORGAN: Mr. Speaker, I have received no indication. To date I received one piece of correspondence, and that was from a welfare recipient, who complained to me about the fact that he was unable to purchase the necessary insurance. But that is the only correspondence we have received in my office. I understand from the Registrar of Motor Vehicles there has been no correspondence indicating that they have a vehicle and cannot afford to purchase the insurance.

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

MR. PIDEOUT: A question for the Minister of Health, please. Could the minister tell the House whether any firm decision has yet been taken with regards to the closing down of 200 acute care hospital beds? And could he give the House some indication where these closings are to take place?

MR. SPEAKER: The hon. Minister of Health.

MR. H. COLLINS: Mr. Speaker, I cannot add too much more to what I said over the weekend and that is that we have met twice with the two parent groups, the Hospital Association and the Medical Association. We have met with all of the individual hospitals across the Province. They have all been told just what the budgetary restrictions are. I must say, Mr. Speaker, that all of the people we have discussed this with are sympathetic. They realize the position of the Province as was enunciated in the Budget Speech and they will do their best to try and accomplish what we are about to do.

I do not intend to identify the hospitals by telling them what beds they are supposed to close. I think that would be interfering with the operation of the board and interfering with the prerogative of the board. They have indicated to us that they are concerned about the possibility of impairing the quality of the health care system. I have indicated to them that that is a concern of ours as well, a concern of the government and certainly a concern of mine. I have agreed to appoint a review committee made up of a member from the Medical Association, a member from the Hospital

MR. H. COLLINS:

Association and my own assistant Deputy Minister of Health, Dr. Klippert who will monitor the situation weekly, daily if necessary and keep reports coming to me so that I will be in a position to know exactly what is going on in terms of whether there is, in fact, any impairment of the system.

If that is the case, Mr. Speaker, then I will certainly want to know it. I cannot tell the House what I will do but certainly I think if there is that situation that we will have to review the whole thing again.

MR. SPEAKER: A supplementary?

MR. PIDEOUT: Yes, Mr. Speaker. The minister has indicated that he has met with the medical people involved and that there has been some degree of consensus. But is the minister intending to tell this House of Assembly and tell the people of this Province exactly where those close downs of hospital beds are to take place. I think the people should know.

MR. SPEAKER: The hon. Minister of Health.

MR. H. COLLINS: Mr. Speaker, as I said, I do not intend to tell the hospitals, look this one has to close twenty beds and someone else thirty beds. We know that in some of the larger hospitals it might be difficult to close anything less than a unit. For instance it could very well -

MR. SMALLWOOD: Are there any hospitals that the government runs without any boards?

MR. COLLINS: No, Mr. Speaker, because generally speaking the hospitals which the government operates, generally speaking, our cottage type hospitals, in fact, some of those are under boards under The Hospital Act.

The cottage hospital system has not escaped the restraints programme. There has been areas whereby we have frozen positions but it is a different quintal of fish when one looks at a small institution like a cottage hospital when compared to an institution like the Grace or indeed the Central Newfoundland Hospital. To answer the hon. member's question, the hospitals which will be affected as far as we can see now, we are sure, the hospitals which are going to be affected are going to be Stephenville, Corner Brook, St. Anthony, Grand Falls, Gander. When we come to St. John's we are looking at the Grace, the General, St. Clare's and the Janeway. Those hospitals will no doubt have to cut back some of their services.

MR. RIDEOUT: A supplementary, Mr. Speaker.

MR. SPEAKER: A supplementary.

MR. RIDEOUT: I wonder if the minister could inform the House whether or not his department and the medical people are thinking in terms of providing any back-up services to take care of contingencies, to help contingencies in this field?

MR. SPEAKER: The hon. Minister of Health.

MR. COLLINS: Mr. Speaker, there is a home care service in St. John's. It is relatively a new service, I suppose, in that it has not been in operation for any considerable period of time, no great number of years, but there is a service established and we certainly will be looking at alternatives and that is one of the alternative types of services which we will be sympathetic to and be able to assist.

MR. COLLINS: There is also a fairly substantial move being made in the Central Newfoundland Hospital in Grand Falls in terms of home care. Other than that, Mr. Speaker, there is very little being developed so far. But that is an area which we are going to have to, not only explore, it has been explored, but to foster and support.

We would also hope, Mr. Speaker, that we can put more patients through the hospital system in terms of not putting patients in an acute care bed until the time has come for surgery or whatever and to try and move them through as quickly as we can, again without impairing health care.

But I think, Mr. Speaker, the essential thing here is that there has been considerable consultation and there has been agreement on the Review Committee approach. And I can assure the House that we are concerned about this as well and that we will be monitoring the situation very closely and in the event that I have to reconsider it, certainly I will.

MR. SPEAKER: The hon. member for Twillingate.

MR. SPALLWOOD: Mr. Speaker, would the hon. gentleman tell us in connection with this committee that has been appointed, are they left a sort of doctor's mandate to decide on their own expert knowledge and experience, or have they been given special terms of reference as for example a great hospital at Grand Falls which is crying for expansion and extension and more beds and the Purin Peninsula position where they are crying for a hospital, is there to be a sort of across the board reduction regardless of these circumstances or is discretion left in the hands of the committee and has the minister given them some indication along that line?

MR. SPEAKER: The hon. Minister of Health.

MR. COLLINS: Mr. Speaker, the time of the year approaching now, the Summer season, I think if there were no restraints programme at all we would find in some of the institutions across the Province that beds will be closed in some units and maybe some units will be closed altogether like a medical surgical unit or a psychiatric unit or whatever. That has happened

MR. H. COLLINS:

almost every Summer in the past in many of the institutions to which I referred. This is brought about by doctors vacations, nurses vacations, etc. and we have had a lot of discussion on this and we have indicated to the hospitals that we would hope to accomplish what we are trying to accomplish now in the Summer months at least without any layoffs, accomplished by attrition.

With regard to the Review Board the name of the game is that no doubt if the Medical Association when they give me their representative today, please goodness, that person will be a doctor, knowledgeable in the hospital system. The Hospital Association no doubt will select the best person in their views who can do the job for the hospital administrators as it were. My own assistant Deputy Minister, Dr. Klippert, will constitute that committee. They will be giving me reports every day. I do not know about every day but daily if necessary, let us say every day, to indicate to me what the implications are on any particular institution. If it means that people are going to have to be laved off immediately, if it means that some important surgery is going to have to be deferred unnecessarily, these sorts of things. But we are giving them no terms of reference other than to watch very carefully and monitor continually to ensure that there will be no impairment in terms of quality of care.

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, I have a question for the Minister of Municipal Affairs and Housing. Would the minister indicate to the House whether the minister is in a position yet to make an announcement on the upheaval that is taking place in the minister's department, whether of his own doing or of somebody else's doing I do not know, in connection with the resignation of his deputy minister and/or any other officials of the department who may be either asked to resign or who will be resigning?

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

MR. PECKFORD: Mr. Speaker, I know of no upheaval in the department.

MR. PECKFORD:

In reply to a question last week concerning my deputy minister, I said I would be making an announcement shortly and that still stands. As I said last week the only upheaval I know of, there is one in Beirut and I think there is one in Belfast in Northern Ireland and I think Angola still has some problems. Chile and Argentina have had some trouble over the last number of years. There are a number of political upheavals in the United States relating to the Republican and Democratic parties. The Liberal Party of Canada seems to be in an awful disarray -

MR. SPEAKER: Order, please!

MR. PECKFORD: - as well as the Liberal Party in Newfoundland.

SOME HON. MEMBERS: Hear, hear!

MR. NEARY: Mr. Speaker, a supplementary question. Obviously the minister is suffering from pressure of his job, Sir. Would the minister indicate to the House whether or not the deputy Minister of Municipal Affairs and Housing has in actual fact resigned or was asked to resign? Could the minister give us a simple yes or no.

MR. PECKFORD: I indicated on two separate occasions and I indicate on a third occasion that an announcement on that matter will be made shortly, Mr. Speaker.

MR. NEARY: Mr. Speaker, a supplementary question. Would the minister indicate if there is an investigation going on in his department at the moment in connection with consulting engineering fees and loans and guarantees that have been granted municipalities over the last few years.

MR. PECKFORD: There has been a continuing investigation daily, almost hourly in the Department of Municipal Affairs for the past year or two, eighteen months, relating to consulting engineers, their work on various jobs and that kind of investigation will continue as long as I am minister.

MR. NEARY: A supplementary, Sir, could the minister indicate when -

MR. SPEAKER: Order, please!

This is a supplementary to the last question?

MR. NEARY: Yes, Sir.

MR. SPEAKER: In my own understanding the last question did not appear to me to be a supplementary to the one before.

MR. NEARY: It had to do with the upheaval -

MR. SPEAKER: It had to do with municipal affairs, I realize.

MR. NEARY: - in the department, Sir.

MR. NEARY: Would the minister indicate when he expects the investigation on consulting engineering fees, especially the one in connection with the Burin town council, when these investigations will be complete?

MR. PECKPOPD: Most if not all the investigations concerning the consulting engineers in the Department of Municipal Affairs are ongoing and are never complete. The one specifically dealing with Burin has been talked about with the council and I think some resolution to the problems relating to engineering firms in that municipality should be occurring very shortly.

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

MR. FLIGHT: Mr. Speaker, this question to the Minister of Transportation and Communications, I want to pursue that Trans-Canada situation for a minute, Sir. Given the fact that the water levels have lowered in the area now, given the fact that that road is no more hazardous or any less than any other part of the Trans Canada, given the department's ability to monitor the water levels if the danger should occur again and the department's ability to close the road on an hour's notice, I want to know why the the minister has issued—and given again that construction apparently cannot start until mid Summer, why the department has issued — if the tender call closes on the 3rd. of June it is not conceivable to me that the work will start before mid July or early July which is two months, why is the motoring public being forced to use that detour that is now in very bad condition? Actually why is the road closed, given as I pointed out the department's ability to monitor the situation on an hourly basis?

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

MR. MORGAN: Mr. Speaker, the water level in the Exploits River was of no danger or appeared to be no danger approximately three weeks ago, none whatsoever and we saw what occurred out there shortly after that --

MR. FLIGHT: You got twelve hours notice, twelve hours notice.

MR. MORGAN: Mr. Speaker, the answer to the hon. gentleman's question is quite firmly no. The Trans-Canada Highway, that section of the Highway will not be reopened until the necessary reconstruction is carried out, which means the lifting of the Trans-Canada approximately one mile. Until that work is carried out the Trans-Canada Highway, that section will not be reopened, but instead the motorists will be using the detour which we plan to keep in good condition.

MR. FLIGHT: A supplementary, Mr. Speaker.

MR. SPEAKER: A supplementary.

MR. FLIGHT: That is not the answer to my question, Sir. The answer to my question is why it will not be opened. I know it will not be, the minister has said so, but why is it not going to be opened?

MR. MORGAN: Because I feel it is a necessary precaution to prevent what occurred approximately two weeks ago.

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

MR. ROBERTS: Mr. Speaker, I would like to go after the Minister of Transportation and Communications but that is not - instead I will come back to the Minister of Health, Sir, would the minister be specific in telling us what instructions have been issued to the hospitals in connection with this move to save money? Have the hospitals in this Province, Sir, individually, I realize it has not been a group or a class instruction, have the hospitals been told they must close x beds, with it being up to them what types of beds they close, or have they been told that their budgets have been reduced by an amount and that amount is to be saved by them at their discretion? And could the minister please be a little more specific than he has been with respect to this type of question before?

MR. SPEAKER: The hon. Minister of Health.

MR. COLLINS: Mr. Speaker, I thought I was very specific in my response to that when I said that the hospitals have been notified what the budgetary restraints are, the reduction in their budgets are, and we are leaving it up to those people to determine as to the best approach to take to that.

MR. ROBERTS: Mr. Speaker, a supplementary.

MR. SPEAKER: A supplementary.

MR. ROBERTS: I thank the minister for his answer and would he indicate, Sir, on what basis budgets have been cut. There was a hospital that asked for \$1 million that has been told they could have

MR. ROBERTS: \$900,000, to take figures from thin air, would the minister indicate, Sir, on what basis the budget cuts were allocated? Were they uniform across the eight or nine hospitals he named on a percentage basis? Were they uniform on a dollar basis? Were they irregular? On just what basis was the choice made.

MR. SPEAKER: The hon. Minister of Health.

MR. COLLINS: Mr. Speaker, one of the things we wanted to ensure when we went through this exercise was that there would be no possibility of us being accused of discriminating against any particular area. So all of the hospitals, I mentioned the names and the places because I might not remember the names of all the hospitals but there is around nine or ten of them, the budgetary reductions are just about uniform, equal in all cases.

MR. ROBERTS: Uniform in dollars or uniform in percent?

MR. COLLINS: Uniform in dollars and percentage, one compared with the other.

MR. ROBERTS: It cannot be both.

MR. COLLINS: It is pretty close.

MR. ROBERTS: Mr. Speaker, a further supplementary.

MR. SPEAKER: A supplementary.

MR. ROBERTS: I cannot debate the minister. They cannot be both because the budgets are not the same.

MR. COLLINS: The impact of the restraint will be equalized to the extent that it can be.

MR. ROBERTS: The minister says the impact will be equalized and I have to accept that but I do not agree with it. Mr. Speaker, would the minister give us his judgement as to whether or not the needs for hospital beds are uniform in different communities throughout this Province?

MR. SPEAKER: The hon. Minister of Health.

MR. COLLINS: Mr. Speaker, that is a difficult question to answer. But when we look at the areas which are feeling the

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MR. COLLINS: In addition to others we are looking at the regional systems and I think, Mr. Speaker, when we consider it on a regional basis then that is about as fair an approach as we can take to it.

MR. SPEAKER: A supplementary.

MR. RIDEOUT: In view of the minister's statement that, you know, hospitals can close beds as such, can the minister reconcile for me where the 200 bed figure came from in the budget speech?

MR. SPEAKER: The hon. Minister of Health.

MR. H. COLLINS: You know, it is so easy for one to guess what the Opposition are up to.

MR. ROBERTS: We are trying to guess what the minister is up to.

MR. H. COLLINS: Yes. Well the medical profession knows what the minister is up to and so does the hospital board.

MR. ROBERTS: That is why they are against what the minister is doing.

MR. H. COLLINS: They are the people who are providing the service and I am the one responsible for finding the dollars for it, not the Leader of the Opposition.

MR. ROBERTS: It would have been better provided if it was.

MR. H. COLLINS: The budgetary restraints which we have imposed on the hospital system in Newfoundland will just about equal the closing of 200 hospital beds, so the hospitals tell us. Mr. Speaker, as we go along down the road with the Review Committee, as I said before, we will know more, we will have more information and be able to determine if we are on the right track.

MR. RIDEOUT: We would only lose twenty beds, for heavens sake.

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

MR. NEARY: The Minister of Forestry and Agriculture, Sir, promised me during the last Oral Question period to get some information in connection with an investigation carried out into certain aspects of Newfoundland Farm Products by a private detective. Does the minister have the information today for the House as the minister promised to get me the other day?

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

MR. ROUSSEAU: No, I do not. I will have it for you as soon as I can get it.

MR. NEARY: Mr. Speaker, a supplementary. When does the minister

MR. NEARY:

expect to have the information? It is three weeks now I have been looking for it. Do I have to go and find it myself and table it in the House?

MP. ROUSSEAU: Do you want an honest answer?

MR. NEARY: Yes.

MP. ROUSSEAU: When I get the chance to do it, as soon as I can I will. Okay? You know, as soon as I get a chance to. Right now it is not at the top of my priority list.

MP. NEARY: Well, Mr. Speaker, it is at the top of my priority list.

MP. ROUSSEAU: As soon as I have the opportunity I will get it for you. You know, no problem.

MR. SMALLWOOD: Mr. Speaker -

MP. SPEAKER: Is this a supplementary I must ask the hon. gentleman.

MP. SMALLWOOD: A supplementary, yes. To the hon. Minister of Health. Will the minister -

MR. ROBERTS: Mr. Speaker, to a point of order. I hate to interrupt the hon. member for Twillingate (Mr. Smallwood), Sir, but he did say it was a supplementary and my understanding is that supplementaries must be sequential to the main question. The question asked by the gentleman for LaPoile (Mr. Neary) was just addressed to the Minister of Forestry. I believe my colleague for Burin-Placentia West (Mr. Canning), Sir, is entitled to ask another question as opposed to a supplementary. So I suspect, I think, the gentleman for Twillingate (Mr. Smallwood), Sir, is in that sense out of order.

MR. SMALLWOOD: To that point of order, Mr. Speaker. I am quite happy to relinquish it and ask it tomorrow. But I understood that hon. gentlemen following the lead of the hon. Leader of the Opposition have this very afternoon asked non-sequential supplementary questions.

MP. ROBERTS: To the same minister.

MR. SMALLWOOD: And this is to the same minister.

MP. ROBERTS: No, it is not.

MR. SMALLWOOD: Yes, this is to the Minister of Health.

MR. ROBERTS: It should be Forestry and Agriculture.

MR. SMALLWOOD: If it is improper or wrong I will ask it tomorrow. But if it is agreeable to the House I would like to ask the minister a perfectly simple question.

MR. SPEAKER: Order, please!

Since the Leader of the Opposition did bring up a point of order, there is one on the floor, I obviously have to deal with it. The hon. gentleman is right in that there was certainly once instance where there was a non-sequential, in my opinion, question asked as a supplementary or at least I recognized the hon. gentleman for a supplementary and it was to the same minister but to me it did not in fact appear to be supplementary. But as I understand it when I recognized the hon. member for LaPoile (Mr. Neary) I indicated to the hon. member for Burin-Placentia West (Mr. Canning) that I would recognize him next. So I think the proper procedure would be since the hon. member for Twillingate's (Mr. Smallwood) question is not supplementary to the previous one to recognize the hon. member for Burin-Placentia West (Mr. Canning) unless of course any hon. member can yield actually. But I do recognize the hon. member for Burin-Placentia (Mr. Canning).

MR. CANNING: Mr. Speaker, my question is for the Minister of Industrial and Rural Development. Pising out of the recent layoff of eleven joiners in the shipyard at Marystown and recently a more recent announcement by the manager of the yard to the effect that the yard has been continually going down since the layoff of over 100 men in Autumn, has the minister got any statement on that and could he inform the House if those recent eleven men, will there be any possibility of them being rehired in the near future?

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

MR. LUNDRIGAN: Mr. Speaker, the answer to the first part of the question is no. I do not have anything to add to what has been said. Secondly it is impossible for me to indicate whether they will be rehired in the general sense. Obviously we hope that all of the people will be rehired. I believe there were over 100 people layed off the first layoff. This was a small group of carpenters that the member is expressing his concern about, eleven people.

MR. LUNDRIGAN: We are concerned about that. We have openly admitted that we have not been able to attract any new contracts of a significant nature to the Marystown Shipyard. The member will recognize that the total energies that we have devoted as a new board of directors, as a government to the shipyard in recent months and years has been very significant and I do not know what else we can do. If there is any suggestion he has that we can pursue other types of goals, we will be quite happy to do it. There are a number of tenders that we have made or bids which we have made on votes that have not been firmed up in terms of responses. One of them was the Guiana one which we still have not received a firm answer on and I cannot give the member an indication as to why. I know that tenders have not been awarded. But if there is any suggestion he has as to how we can proceed in attracting new work - we have new management at the yard, we are very happy about the new management. We have a board of directors that are actively pursuing the matter and he knows all this sort of thing. So my question to him is has he got any concrete suggestion as to areas we are not moving in that we might be able to move in and if so we will be happy to pursue them, a supplementary question.

MR. SPEAKER: The hon. Minister of Burin - Placentia, a supplementary.

MR. CANNING: Could you tell the House so the people in the area will know that, is the situation at the shipyard and the future of the shipyard, is it hopeless? Is it considered hopeless?

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

MR. LUNDRIGAN: Mr. Speaker, did he ask me would I say to the people of the yard, to confirm that the situation is hopeless? The answer would be a categorical no. The situation is not in the situation that could be classified as such. The people of the area know, the member knows that we have not been able to

MR. LUNDRIGAN: attract any significant new work. He also knows that this is characteristic of every shipyard in the world today. He also knows that we are also looking at certain policies of government, that down the road, and it might not be tomorrow morning, it might mean a continuation for a period of some kind of a soft situation in Marystown but certainly the prospects for the yard, as we look at it in terms of an investment and the long-term future is certainly very prosperous. And we hope that on an interim basis we can ensure that there will be a continuation of a stable work force.

Three months ago or so the government awarded a contract for a new ship that is under construction at the present moment and that is one of the responses the government have made. Certainly we are very concerned that we have not attracted any new work. I would like to be able to announce right now work to increase the work force. I believe we had almost 500 and it is back now to where the member was when he left here. The work force now is almost the same as it was when he left here. We were able to holster the work force. Unfortunately it never continued at the high level that it did.

MR. CANNING: There were several contracts then.

MR. LUNDRIGAN: Mr. Speaker, there has been more work done in Marystown since this government took office than in all the previous involvement of the hon. member.

SOME HON. MEMBERS: Hear! Hear!

MR. LUNDRIGAN: The hon. member should be aware of that. Physically the number of boats, the amount of money that has been spent in the yard has been more significant in the last four years than any previous period in its history. We are aware of the fact that we have had -

MR. CANNING: How many contracts were there when you took it over?

MR. LUNDRIGAN: We are aware of the fact that we have had a -

MR. CANNING: How many contracts?

MR. SPEAKER: Order, please!

MR. LUNDRIGAN: Mr. Speaker, I cannot answer the member's questions -

MR. SPEAKER: The thirty minutes has transpired.

ORDERS OF THE DAY:

On motion of the hon. Minister of Municipal Affairs and Housing a bill, "An Act To Amend The City Of Corner Brook Act," read a first time, ordered read a second time on tomorrow. (No. 33)

On motion of the hon. Minister of Health a bill, "An Act To Amend The Solemnization Of Marriage Act," read a first time, ordered read a second time on tomorrow. (54)

On motion of the hon. Minister of Provincial Affairs and Environment a bill, "An Act To Register Mortgage Brokers And to Control The Amount Of Bonuses To Be Charged By Mortgage Brokers," read a first time, ordered read a second time on tomorrow. (No. 55)

On motion of the hon. Minister of Justice a bill, "An Act To Amend The Companies Act," read a first time, ordered read a second time on tomorrow. (No. 53)

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

MR. CROSBIE: Mr. Speaker, when we adjourned on Friday I was replying to this nonconfidence motion and the sub-amendment. The nonconfidence motion reads, "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." The amendment reads - And the member for St. John's North (Mr. J. Carter) wishing to help the Opposition out of the difficulties they had obviously gotten themselves into with such a silly motion tried to fix it up so the House could deal with it unanimously by adding, "But realizing the difficult situation facing the Province and in view of the complexity of the situation absolves the government from all blame."

Now, Mr. Speaker, as I said on Friday we cannot accept that amendment to the non-confidence motion because it would imply that the amendment had something correct or factual about it. Now, Mr. Speaker, there is nothing sillier than that non-confidence motion that has been brought into the House by the official Opposition at this time, that the government has not disclosed completely and fully the present financial situation of the Province of Newfoundland and Labrador Land the government thereof. That has been fully disclosed. It is fully disclosed in the budget that was brought in here by the Minister of Finance just a few short weeks ago. It was fully disclosed when he had a budget last Fall. It was fully disclosed in the budget of his predecessor before him, Mr. Earle. It was fully disclosed in the three budgets that I brought into the House in 1972. And the exhibits to this budget give you the economic statistics, the debt position, the revenue position, federal and provincial sources, the expenditure summary, the summary of borrowing requirements and the sources of funds and the total provincial debt. It is all here in this document. What more financial information could be given by a Minister of Finance to the House to fully present the situation fully and completely. It is fully and completely presented.

MR. CROSBIE:

Hon. gentlemen opposite understand or seem to understand what the financial position of the Province is. The financial position of the Province is a somewhat straitened one. The Province is borrowing money. This year it has to borrow \$198 million is the forecast, of which some \$47 million or roughly that is to meet debt coming due, refinanced debt. Another \$150 million is to enable the government to carry on with a capital expenditure programme to build some roads, to meet our share of the cost of certain federal-provincial agreements such as DREE agreements, to do a Rural Development loan programme, to carry on with certain capital works in the Province, \$150 million is for that.

Apart altogether from what the budget shows we must borrow we also have to recognize the fact that the Newfoundland Municipal Finance Corporation will have to borrow money for the municipalities of the Province and that will have to be guaranteed by the government. That is on top of what the budget shows. Of course also we have to borrow money guaranteed by the Province for hydro development both on the Island and with respect to Gull Island and the like.

Now it is not that the government wants to borrow the money Mr. Speaker. The government realizes and I am sure members opposite realize that this Province as well as other provinces are in a tight financial situation. But the government has to ask the House to approve this borrowing if we are going to have any capital works programmes at all. That is the nub of the whole problem. As I mentioned Friday members opposite are completely inconsistent because they will get up in one hand and say that the Province is in a bad financial position and we should not be borrowing this amount of money or we should not be borrowing at all and then they spend the other ninety per cent of their time stating that the government should be spending more money or they are asking what is the government going to do about unemployment.

MR. SMALLWOOD: If the hon. minister will allow me. Please exclude me from that characterization. I am not clamoring for the government to spend money and to borrow money. I am against it, flatly, adamantly against it. Please do not include me with the party whose leader said we should spend and spend and borrow and borrow. I did not say that. I do not believe it.

MR. PROSBIE: I will accept that, Mr. Speaker, that the hon. member for Twillingate (Mr. Smallwood) has not been vociferously shouting that we should spend more money. In fact he is uttering dire warnings that we should not be spending as much and we should restrict our borrowing, all of which is true in a general sense, without being very specific as to what we are going to cut out if we do that. So, Mr. Speaker, we have to compromise and the compromise is before the committee. We have to spend what we think it is safe to try to borrow to keep the Province operating at all.

As I mentioned on Friday and it is worth repeating, when we are asked what is the government doing about unemployment we can only answer, "We are borrowing \$150 million this year for certain capital works programmes and for rural development loans and the like that will create some employment in this Province. We are attempting to develop the hydro resources of Labrador to bring to the Province and it is a difficult task, a formidable task. We are endeavouring to promote and to have the Province control the development of oil and gas off our shores. We are developing a scheme for the processing, for increased processing of fish on the Island of Newfoundland as part of the whole scenario for the 200 mile limit once Canada takes control of it. We are encouraging what mining development we can. Mining is one of the bright spots on the horizon here in Newfoundland. We are spending a lot of money to keep the Labrador Linerboard going in connection with the forestry and to create employment. That is a difficult, difficult task because the project was never an economic one from its very inception. These are the things we are doing to try to combat unemployment in the Province."

MR. CROSBIE:

But despite what the Province can do - Mr. Speaker, it matters not a whit what party forms the government of this Province. If it was any party opposite they would not be able to do anymore to create employment than we are attempting to do. They might have some changes here or changes in emphasis there but basically they would be able to do no more no matter who sits here. As far as our unemployment is concerned and as far as overcoming that is concerned we have to look to the national government. It is just a statement of fact. They are the only ones who have the resources.

I listed the other day, Mr. Speaker, some of the things they were not doing to help us overcome these problems. The government of Canada has not adopted any special programmes to overcome unemployment in this Province or in other high unemployment areas. There are no special programmes, just their normal programmes. They have not increased their public works spending in Newfoundland or their construction spending in Newfoundland. If anything they have decreased it not increased it. They have not, and in fact in their whole position vis-a-vis the Provinces, Mr. Speaker, they are tightening up.

They have suggested to the provinces that we should drop the revenue guarantee that came into effect when they changed the income tax and revolutionized the income tax in -

MR. FOWE: Mr. Speaker, I do not think there is a quorum in the House.

MR. CROSBIE: Eighteen at the moment.

MR. SPEAKER: I am informed that there is a quorum.

MR. CROSBIE: Mr. Speaker, rather than the federal government doing any more to help they have now adopted a position, an adamant position with respect to the provinces that is particularly going to tell against this Province if it is carried through. For example on the revenue guarantee, Mr. Speaker. That was a guarantee from the government of Canada that when they changed the income tax and brought in the new income tax in 1972 that no province would lose money as a result of the change in income tax. That is the guarantee they gave. Good for five years.

MR. CROSBIE: Mr. Speaker, before the five years are up they now say they want to change that so that the revenue guarantee will be changed retroactive to a year ago and will cease at the end of the five years which will mean a loss to this Province of \$7 million or \$8 million. That is one position they are taking.

They say they want to change the tax equalization formula because they fear they are spending too much under the tax equalization formula. If they change it, Mr. Speaker, and their spending goes down under the tax equalization formula what is going to happen to this Province with over \$200 million of its revenue coming from tax equalization? And then the Federal Government says in addition that they are going to change the share-cost programme unilaterally. They put a ceiling on Medicare spending so that if Medicare costs go up in excess of ten or twelve per cent the Province must bear all the additional cost. They do not share it.

MR. SMALLWOOD: Would the hon. gentleman allow me to ask him a question? Would he not agree that Canada, the Government of Canada are in desperate financial straits and that Canada as a nation is in a worse financial and economic condition than at any time since the great depression of 1929?

MR. CROSBIE: I would say, Mr. Speaker, that Canada has got to watch its finances and it has to decide its priorities. But if it is going to make its cutbacks in areas where Canada inveigle the Provinces to come into national programmes and then start cutting back leaving us holding the bag, particularly the weaker Provinces, we will be snuffed out.

MR. SMALLWOOD: In other words if we are going to have sacrifice let it be equality of sacrifice?

MR. CROSBIE: Yes, Mr. Speaker, I say to this House now that if

MR. CROSBIE: the Federal Government's attitude and these financial matters that I have mentioned, and it is not going to arouse any excitement, it does not sound glamorous, perhaps it is hard to understand, but if they persist in their attitude on the revenue guarantee, on tax equalization, the shared-cost programmes and the like they will snuff us out financially in the next couple of years, no doubt at all about it.

MR. NEARY: Is this a by-election speech you are making now?

MR. CROSBIE: This is a speech good for any occasion.

MR. SMALLWOOD: It happens to be the truth.

MR. NEARY: Jim Cross must be getting worried.

MR. CROSBIE: I am speaking, Mr. Speaker, about how the Province is going to combat unemployment and I am illustrating how the Federal Government, which is the only one that can help because whatever their financial position is it is better than our, we cannot overcome it. We cannot do more than we are doing. Instead of their trying to do something to help, they are not, they are withdrawing their horns. They are pulling back.

MR. NEARY: They always do.

MR. CROSBIE: But at the same time, and I will just list a few more items that they are cutting back on, I mentioned Medicare, there is health insurance, they are going to put the ceilings on health insurance, the increase in their payments, but that leaves us to face the real problems. We are the ones that have to deal with hospital workers. We are the ones who have to deal with the suppliers of goods and with inflation. We operate the hospitals. But the Federal Government is going to say, "We will not spend more next year on health insurance, we will only allow an eight per cent increase." And if an increase is fourteen per cent of the cost, eighteen, sixteen per cent, we will have to share all that increase over eight. They are not the one that faces the strike. If they go on strike in all our hospitals

MR. CROSBIE: on the Island because we will not give them an increase at all, or in Quebec or wherever, it is not the Federal Government on the firing line. But if they will not share these increased expenditures where are we going to be? Well I know where we are going to be, we are going to be in a pretty serious position. So that is the shared cost of Medicare, the shared cost on health insurance.

Now today in the newspaper, the shared-cost programme on education. They have been contributing to post-secondary education for the last number of years. Today they announced the Minister of Finance can verify this, today they announced they are not going to pay their fifty per cent share of the post-graduate educational cost, that their Treasury Board has said "Hold back, we know we have got the meat." - How much does it affect us by?

MR. DOODY: An extra \$111 million.

MR. CROSBIE: \$111 million that they are supposed to pay the provinces under the post-secondary education programme, they are going to hold back. This is where they pay for technical schools and university. They make a grant of so much per capita.

AN HON. MEMBER: Post secondary not -

MR. CROSBIE: Post secondary -

MR. SPEAKER: Order, please! I am sorry to interrupt the hon. gentleman but since forty-five minutes has almost expired there is a question to be determined so that the rules and precedents do not become confused.

Standing Order 49 (a) says in part, "No member," then lists several, and then, "Except a minister replying thereto, a minister replying to a motion of nonconfidence shall have more than forty-five minutes." Now the question to be determined and why I have interrupted so that we do not get into a confusing situation later on is in order to continue beyond forty-five minutes, either the sub-amendment must be regarded as a motion

MR. SPEAKER: of nonconfidence, not the amendment, that is obviously a motion of nonconfidence, either the sub-amendment must be regarded as a motion of nonconfidence or it is generally agreed that the hon. minister is the minister speaking in reply to the amendment. In other words in speaking on the sub-amendment he is in his content or in his purpose being the minister who replied to the nonconfidence amendment. Either one of those or else the general acquiescence of the House.

MR. SPEAKER: The hon. member for Twillingate.

MR. SMALLWOOD: I am absolutely agreeable to almost anything that Your Honour will rule if Your Honour does rule or that the House wants, if there is anything that the House does want.

I would like however to have my mind clarified on one point. Normally when there is a motion and to that an amendment is made and to the amendment a sub-amendment is made, an amendment to the amendment, the normal procedure has always been to put the vote on the sub-amendment, dispose of it, put the vote on the amendment, dispose of that, then put the original amendment, carried or lose it as the case might be. Normally it is carried.

In this instance we have a sub-amendment which is a peculiar animal to say the least, we have it. The government have repudiated it and have announced that they are treating it as a vote of nonconfidence. That is the sub-amendment. Would Your Honour advise me and the House as to what the procedure is to be in dealing with it, in debating it. Evidently according to the ruling Your Honour has already made, we are debating both together, that is to say the amendment and the sub-amendment.

SOME HON. MEMBERS: No.

MR. SMALLWOOD: Well this is the impression I gathered from -

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

MR. SPEAKER: There is a point of order.

MR. SMALLWOOD: There is **one** point of order already that I have raised -

MR. ROBERTS: Hold on 'John', just hold on a minute.

MR. SMALLWOOD: - to which I am speaking. And I do not want to occupy one moment more than is needed to make my point clear or to have my mind clarified by Your Honour. Very frankly I would like to move a sub-amendment. Now if this **particular** sub-amendment has the effect of preventing my moving one, sobeit, I can still talk in the debate on the Address-in-Reply, and say almost there anything that I would say here or any other hon. member. There is no limitation on what one may discuss in the debate on the Address-in-Reply. But however the proper place to discuss the finances of the Province is here in the debate of Committee of Ways and Means. Would Your Honour clarify that for me? What I need to know is will Your Honour be putting this - does there come a point before the amendment is put, does there come a point and I mean substantially before, days perhaps possibly before the amendment is put the vote is taken on the sub-amendment, leaving room for someone else to move a sub-amendment? And, of course another hon. gentleman could get up and move one as was done in this instance in which case I would not have the opportunity. That will not stop me because I still will say what I have to say in the other debate.

MR. ROBERTS: Mr. Speaker.

MR. SPEAKER: Yes. Perhaps so that I will not forget the questions, I recognize the hon. Leader of the Opposition but just to clarify the situation so that I will not forget the points asked by the hon. gentleman from Twillingate, as I understand it on a debate of this kind, there is only one amendment and one sub-amendment. With reference to the procedure, the sub-amendment is now before

MR. SPEAKER:

the Chair. When no one gets up to speak then the question will be put, the debate will be back on the amendment and -

MR. ROBERTS: As amendment or as not.

MR. SPEAKER: As amended or as not amended depending on how the sub-amendment is disposed of. If the sub-amendment is carried then the question will be the amendment as amended.

If the sub-amendment is defeated, the amendment itself will be back before the House and as soon as no one further gets up to speak on that we will be back to the original question. They will go in that order and the determining factor will be that when an hon. member sits down nobody else gets up.

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

MR. ROBERTS: Mr. Speaker, I thank you because you have anticipated the point which I made, simply the hon. gentleman for Twillingate (Mr. Smallwood) has apparently overlooked Standing Order 34 which says quite straightforwardly as Your Honour mentioned, "Only one amendment and one sub-amendment may be made to a motion for Mr. Speaker to leave the Chair for the House to go into Committee of Supply on Ways and Means," which is the order that the government have called today. So it does not matter in that sense whether the amendment is one of no confidence or of confidence or of anything else. It is a sub-amendment that Your Honour has accepted as being in order. There has been an amendment moved. There has been a sub-amendment moved and that is the end of the procedure on the, well it is the budget debate.

As Your Honour has said the other procedures follow, that as I understand it, Your Honour, a member may speak three times if he so wishes. Once to the sub-amendment, once to the amendment and once to the motion. One could speak in that order if one wished, the sub-amendment and then subsequently when that is disposed of to the amendment and then when that is disposed of subsequently to the motion in each case as amended or as not amended according to the House's wish.

But, Your Honour, I am not sure if it is in order to raise a further point which I thought the gentleman for Twillingate (Mr. Smallwood) had adverted to. But I did not understand that to be the main point of his point of order. That is the question of whether or not this sub-amendment moved by the gentleman for St. John's North (Mr. J. Carter) which as the gentleman for Twillingate (Mr. Smallwood) says is a somewhat curious animal, - not the hon. member, the sub-amendment - is a somewhat curious one. It absolves the government of all blame and yet the gentleman for St. John's West (Mr. Crosbie) speaking as a minister in behalf of the government says that the government deem it a matter of no confidence.

MR. ROBERTS:

Well I am not sure, Your Honour, if that is a point that need be ruled on or not. It has a certain practical importance in that if the gentleman from St. John's West (Mr. Crosbie) is correct, if it is in fact a matter of no confidence then the gentleman for St. John's West (Mr. Crosbie) has unlimited time as the minister speaking in reply to a motion of no confidence. If however it is not a matter of confidence in the government then the hon. member has the time limit which pertains to him as a member of the House, namely forty-five minutes.

MR. SMALLWOOD: When the House Leader announced it on Friday the government were opposed to it, not only the minister today.

MR. ROBERTS: I am aware of the fact the minister is speaking for the government and that his view is the government's view.

MR. SMALLWOOD: All ministers do.

MR. ROBERTS: Mr. Speaker, the point is this - I said the government. The government is all ministers.

MR. SMALLWOOD: All ministers do that.

MR. ROBERTS: I learned some of my constitutional law under a bit of an expert, Sir, and I think I have a little knowledge of these points. But the concern here - and I do not raise it, Your Honour, at this time although I will if you wish but I am not raising it in an adversary situation. But does a sub-amendment to the budget become a no confidence matter simply because some minister speaking for the government says that we choose to view this as a matter of no confidence. In other words if the House accept this amendment and thus turn us down we will go straight away or the Premier will go straight away to Government House and submit our resignation as a ministry and all that will follow, the coalition will then come and everything will be happy again.

But, Mr. Speaker, the point I think is a valid one. The motion before the Chair which is the sub-amendment to the budget motion on its surface is not a matter of no confidence because it

MR. ROBERTS:

specifically says that it absolves the government from all blame. Well if that is not a matter of no confidence then I am not sure how one would put it. But on the other hand it could be a contrary argument that an affirmative motion may still be a matter of confidence. But all I want to ask, Your Honour, is a ruling, is this a matter of no confidence or not. I ask it not - I really do not care whether it is or is not in the sense I do not think it matter importantly. But I think it is relevant to the question of whether the gentleman for St. John's West (Mr. Crosbie) has unlimited time as I believe he believes he has or whether he is limited to forty-five minutes beginning his speech on Friday morning and continuing it now.

But on the other point, Sir, the sub-amendment, Standing Order 34 disposes of it quite neatly without regard to whether it is confidence or no confidence. The Standing Order speaks only of one amendment and one sub-amendment. We have both now duly moved and duly accepted by the Chair and will be debated and disposed of.

MR. SPEAKER: I recognize the hon. member for St. John's North (Mr. J. Carter) and the hon. member for LaPoile (Mr. Neary) after. If I may before the hon. member for St. John's North (Mr. J. Carter) begins just to again endeavour to underline precisely the point that has to be decided and which I am seeking submissions from hon. members on. That is in order to continue beyond forty-five minutes the hon. minister either has to be speaking to a motion of non-confidence, speaking in reply to a motion of non-confidence or he does it by the consent of the House. Now the question is whether in speaking to this sub-amendment whether this sub-amendment is itself a motion of non-confidence. If it is then obviously he has unlimited time. If it is not then I think a certain complexity comes in if the argument were to be put forward that he is the minister speaking in reply to a non-confidence motion which in fact is the amendment and not the sub-amendment.

MR. SMALLWOOD: On Friday the hon. House Leader spoke, very briefly but he spoke. He took part in the debate by saying the government rejected the sub-amendment.

MR. NEARY: That is right. That is the point I was going to make Your Honour.

MR. NOLAN: Mr. Speaker, if I could rise.

MR. SPEAKER: I indicated the member for St. John's North.

MR. J. CAPTER: Mr. Speaker, I will try and be brief but this was not intended as a motion of non-confidence. As Mr. Speaker realizes in order to amend any amendment that amendment itself must not deny the amendment. This was as near as I could come to whitewashing the amendment that had been made. Now I realize that there is a certain amount of complexity in the government voting for this because once they vote for the sub-amendment presumably this implies some approval of the amendment. But I would maintain, Mr. Speaker, that this is not so.

As I mentioned earlier when the minister first got up to speak I view the proper procedure on this to be to vote for the sub-amendment and then to vote against the amendment even though it may be amended by the sub-amendment because there are certain obnoxious elements in the amendment that the sub-amendment are unable to remove.

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, I would like to make the same point that the hon. member for Twillingate made, Sir, that the hon. minister, the government House Leader, the Minister without Portfolio speaking in behalf of the government the other day - I think it was on Friday - when the sub-amendment was moved rose in his place to indicate to members on the government side of the House speaking for the government that the government was going to vote against this sub-amendment, going to vote against it.

MR. CROSBIE: Could you blame him?

MR. NEARY: Yes, Mr. Speaker.

MR. SMALLWOOD: He could not accept it.

MR. NEARY: He could not accept it and they were going to vote against it. So a minister has already spoken for the government whether it be only for a few moments or a few hours. But the minister, Sir, who was speaking for the government was the government House Leader and has already spoken. So you cannot have two ministers speaking for the government, Sir. And Your Honour might want to send for the tapes to find out just what the government House Leader said.

MR. SPEAKER: I will recognize the hon. members if they certainly wish to continue. There is a question of fact to be determined now, and that is whether the hon. Minister without Portfolio spoke to the sub-amendment. If he did the rest is interesting but academic. I will recognize the two hon. members who have indicated their desire to speak. I think then what we should do is adjourn for five minutes to determine that question of fact.

The hon. Minister of Mines and Energy.

MR. CROSBIE: On the latter point first -

MR. NOLAN: Would the minister give away for a moment.

MR. CROSBIE: All right I will give way.

MR. NOLAN: Now then what the minister said the other day as I remember - and I was listening very attentively - was - and I hope the minister will correct me if I am wrong and I am sure he will - was he did not say definitively and definitely that he or the government were going to vote against the hon. member for St. John's North (Mr. J. Carter). He said he had some doubts about it and they were going to take it into consideration. Now that was my reading of it at that time and of course he can speak for himself.

MR. DOODY: Who can speak for himself?

MR. NOLAN: The Minister of Mines and Energy.

MR. CROSBIE: Mr. Speaker, on these several points. First to deal with the government House Leader. No government minister, Mr. Speaker, and you can check the Hansard which you are going to have to do has

Mr. CROSBIE:

spoken in this debate at all until I started to speak on Friday morning. The government House Leader did not speak in this debate. The government House Leader said to some members over here that we cannot accept this motion. He was not addressing the House. He was not on his feet. He had not said "Mr. Speaker" and started a debate. He was not speaking in the debate at all. I am the first one to speak in the debate now, the first government minister to speak in the debate

MR. CROSBIE:

There were several government backbenchers who have spoken. The position is, Mr. Speaker, that the original motion is a motion of nonconfidence which regrets the failure of the government to present and disclose fully the present financial situation of the Province.

MR. SPEAKER: It would appear now there is a question of fact to be determined and that we should adjourn for a few minutes in order for the tapes to be checked.

MR. CROSBIE: Could I finish my remarks, Mr. Speaker, first.

MR. SPEAKER: Yes indeed.

MR. CROSBIE: But there is no point in my making them if Your Honour is not listening. Well it is just as simple as that. I am addressing them to Your Honour. I do not care what the other members think.

Your Honour, to go back to where I started. Number one, the government House Leader has not spoken. That is a question that Your Honour can check the tapes on. I was the first government minister to speak in this debate. All that the government House Leader did if he did anything was say to hon. members over here that we could not accept this motion that the member for St. John's North (Mr. J. Carter) had made. He did not address the Chair. He did not commence a speech. He was not and has not been involved in this debate. But you can check the tapes on that.

Now the second point, Mr. Speaker, that you originally raised. The original amendment is a nonconfidence amendment. It regrets our failure to disclose fully and completely the financial position of the Province. That is what the motion says. We cannot accept that. That is a motion of nonconfidence. If that is true we should get out, out, we should vanish, we should be gone. The government has to resign if this is true. But we have not done that.

SOME HON. MEMBERS: Hear, hear!

MR. CROSBIE: Now the sub-amendment says, "But realizing the difficult situation facing the Province and in view of the complexity of the situation absolves the government from all blame." Well before we can be absolved from all blame we must be at blame. So the sub-amendment says - yes and the hon. gentleman said when he spoke, "Forgive them, they know not what they do."

SOME HON. MEMBERS: Hear, hear!

MR. CROSBIE: So you cannot absolve us from blame if we are not first to blame. So the amendment says.

MR. ROBERTS: 'John' as a whitewasher you are in trouble.

MR. CROSBIE: The sub-amendment says, "Well the government did not present completely and fully the present financial situation but it is a difficult situation, it is complex. We should absolve them from all blame for lying to the public and for not disclosing what the true situation is." Now that is a motion of ~~non~~confidence. Because we cannot be absolved from blame unless we are at blame. So therefore the government cannot accept the sub-amendment.

Now, Mr. Speaker, as far as -

MR. CARTER: Would the minister give way for a moment?

MR. CROSBIE: It is not a question of the gentleman for St. John's North (Mr. Carter's) intentions. We have to interpret what his sub-amendment says. Now, Mr. Speaker -

MR. DOODY: The hon. member for St. John's North (Mr. J. Carter) asked leave if you would give way.

MR. CROSBIE: I am just about finished.

SOME HON. MEMBERS: Hear, hear!

MR. CROSBIE: So, Mr. Speaker, when we come to the time limit all I am saying is this, I consider that I am answering the motion of no confidence because the two of these things together are no confidence. If we pass this and pass the amendment we are out. There is no confidence. Only one government minister can reply once over the forty-five minutes which is what I am engaged in now. So

MR. CROSBIE:

I submit that I should be allowed to carry out once you check the tapes and so on. That is all. Then no other government minister can speak more than forty-five minutes. That is our submission, that this is the correct procedure.

MR. SPEAKER: I recognize the hon. member for St. John's North. But before he starts the question of fact has been determined. I am informed by the officers of the House that the tape and Hansard shows no record of the hon. Minister without Portfolio having addressed the House. He may have said something from his seat or that but he was not recognized and did not speak to the motion.

The hon. member for St. John's North.

MR. J. CARTER: Mr. Speaker, the Minister of Mines and Energy has neglected to trace the subject of the sub-amendment. The subject 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. There has been no break in the sentence in my sub-amendment. "But realizing the difficult situation facing the Province and in view of the complexity of the situation absolves the government from all blame." Now the subject of that verb, Mr. Speaker, is this House and it is the amendment made by the Opposition. Therefore Mr. Speaker, I submit that this sub-amendment is a correction or a whitewashing as I said earlier of the original amendment. Any greater variation would not have been allowed by Mr. Speaker. It is the greatest variation that one could bring in in an allowable sub-amendment.

MR. YOUNG: You voting this sub-amendment.

MR. J. CARTER: I am arguing for it at the moment.

MR. SPEAKER: The essential question before the House now - the question of fact has been disposed of - is whether - as least the question as I see it - is whether this sub-amendment is a motion of nonconfidence. That I think is what I will have to decide.

The hon. Leader of the Opposition.

MR. ROBERTS: Mr. Speaker, if I may again. The hon. gentleman for St. John's West (Mr. Crosbie) and I do not often agree on very many things. I am not sure all of my colleagues feel the same way I do and some of them may well wish to express their feeling and the reasons for it. But I do feel the gentleman for St. John's West (Mr. Crosbie) has made what I think is an argument that must stand. I do not think it is possible to amend - the basic rule is that an amendment cannot directly negative the motion it purports to amend because that end can be achieved by simply voting against the motion.

Now, the motion before the Chair is an amendment to an amendment and the same rule applies there. The amendment cannot negative or negative whatever is the verb -

SOME HON. MEMBERS: Negate.

MR. ROBERTS: Negate; Well I thank hon. gentlemen opposite. Cannot negate the purport of the amendment and the purporting of it is certainly one of no confidence. Any hon. gentleman who votes for it does so with the glad tidings in his heart that he is voting no confidence. Anybody who votes against it does so with the dread knowledge that he is voting to support the government. It is certainly a matter of no confidence. Well, Sir, if that is so, then by definition the amendment to the amendment, in other words the sub-amendment moved by the gentleman for St. John's North (Mr. J. Carter) cannot be anything other than a matter of no confidence. I think that disposes of the argument.

Now there is another point altogether as to what makes a matter of no confidence. I think that is another point. I do not think it is germane here. Unless Your Honour requests I certainly would not press the point, although I can think of other times when it might be germane, because as far as I am concerned a motion does not become a matter of no confidence simply by moving it. It depends entirely on the effect of it if carried. If the amendment is in order and it has been, then it cannot negate the motion it purports to amend which is the one moved by my friend for Burgeo-Bay D'Espoir (Mr. Simmons).

MR. LUNDRIKAN: That is the first rule.

MR. ROBERTS: I agree with the gentleman for Grand Falls (Mr. Lundrikan) that is the very first rule on amendments. Therefore the matter must be one of no confidence. I believe therefore the gentleman for St. John's West (Mr. Crosbie) has unlimited time within the Standing Orders of this House, you know, QED.

MR. SPEAKER: I thank hon. members for their various submissions and certainly in my mind at least the matter has become somewhat clarified. With respect to the remarks of the hon. Leader of the Opposition, the hon. member for St. John's North (Mr. J. Carter) and others I would quote as well Beauchesne 202, subsection 3 which is much the same argument as put forward by the last few speakers. "Since the purpose of a sub-amendment is to alter the amendment, it should not enlarge upon the scope of the amendment but it should deal with matters that are not covered by the amendment; if it is intended to bring up matters foreign to the amendment, the member should wait until the amendment is disposed of and move a new amendment." Obviously in this case that could not be done but that is what the procedure is supposed to be.

Bearing in mind that in order to be in order the sub-amendment cannot among other things negate but must be related to and in some way a modification or something of, but it must be related to it and should not enlarge upon the scope but deal with matters that are not covered in the amendment. So it would certainly appear to me that the logical answer is that the sub-amendment is a motion of nonconfidence. The hon. minister has unlimited time because he is speaking to a motion of nonconfidence specifically this sub-amendment.

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

MR. CROSBIE: Mr. Speaker, I may have unlimited time but I do not intend to take it because I do not want to.

MR. ROBERTS: Hear! Hear!

MR. CROSBIE: Thank you. I do not want to speak for the sake of speaking but I do want to make just some points on this issue. Number one there has not been any **failure to disclose** completely and fully **the present financial situation**. But in this Province, Mr. Speaker, we are in a bind and we have to recognize it whether we are on the Government side or the Opposition side. Because if the Opposition gets on this side we will be in the same bind anyway. That is -

MR. ROBERTS: Be sure to tell.

MR. CROSBIE: Just to summarize what I have been saying, that we have not got the wherewithal ourselves to combat unemployment in this Province. We should not be borrowing as much as we are borrowing. We should not be borrowing \$200 million this year plus another **amount for municipalities, plus amounts for hydro**. It would be much more sensible and careful for us not to be borrowing that much money. We certainly cannot borrow any more than we plan to borrow and the reason we are borrowing this much is to keep employment going and to keep activity going in this Province. We cannot overcome these problems ourselves and I am just listing, Mr. Speaker, the attitude that the Government of Canada is recently taking towards this issue. And they have made their position clear at meeting after meeting, no special assistance for areas like Newfoundland that have **extraordinary unemployment**. That has been their position.

In addition, Mr. Speaker, I was just listing some of the other things they have done which are going to make our financial position more and more difficult as time goes by and that if the **Federal Government** and I would like the hon. gentleman in the Opposition to

MR. CROSBIE: listen because they may be able to influence the Federal Liberal Party, that if they continue with what they have said they are going to do they will crush us financially. And if the hon. gentlemen opposite get into power they are going to be in a position where they will be able to do nothing and therefore they should communicate with their federal counterparts. I listed, Mr. Speaker, just for starters their attitude on cost sharing programmes, Medicare, health insurance. **where** they are now going to put ceiling, spending limits after having induced all the Provinces to come into the programmes five or six years ago. **They are now** putting on spending limits, which means that all the risk of further expenditure, of inflation, of wage and salary negotiations stay with the Provinces and the Provinces are least able to bear it. They are putting on their limits and the Minister of Health is faced -

MR. SMALLWOOD: Would the minister allow me a moment? Would he not agree that no matter how you spell it, it boils down to this, that the Government of Canada have decided that the people of Canada have got to cut down their standard of living, their standard of public services and their standards of private living. All Canada has been living too high on the hog whether we like it or not and we do not like it, we know we do not like it. Nobody likes it but we have got to cut down all across Canada, everybody but everybody in Canada.

MR. CROSBIE: Mr. Speaker, you know I would like to develop my own thesis. I agree that the Federal Government is trying to cut back but they are not explaining to the people of Canada that they have made a decision that the people of Canada are going to have to get less. They are not saying that. They are trying to pass the blame onto the Provinces and the way

MR. CROSBIE: they are doing it is by the attitude they are taking with these programmes.

Now Medicare was instituted and initiated by the Government of Canada and how could a province refuse to go into Medicare if six or seven provinces were going to do it how could another province like Newfoundland refuse to do it.

MR. SMALLWOOD: The pressure was irresistible.

MR. CROSBIE: That is right. You could not resist.

MR. SMALLWOOD: You had to go in.

MR. CROSBIE: So we had to go in. Now, Mr. Speaker, when we went in for example with Medicare I think the first year about ninety per cent of the cost of Medicare came from the Government of Canada under the formula because it was based on the average per capita cost across Canada and ours were lower because we had fewer doctors. But that has changed and changed and changed and this year I think we are going to have to put up sixty per cent of the money. Would that be accurate?

MR. SMALLWOOD: Sixty?

MR. CROSBIE: Sixty, sixty-five per cent.

MR. WILLS: It is in that order.

MR. CROSBIE: In that order. The Federal Government's share has declined from ninety per cent down to between sixty and sixty-five per cent this year and as Newfoundland gets more doctors, the medical school turns out more doctors, in the next two or three years we are going to have to meet at least half the cost if not more.

MR. SMALLWOOD: What is the relationship of the doctors and the -

MR. CROSBIE: Because our per capita costs in Newfoundland are rising rapidly to the national average and therefore we will only get fifty per cent, you know, the same as the others.

MR. SMALLWOOD: Because we are making it rise.

MR. CROSBIE: Right. Because we are getting more doctors and so on.

MR. CROSBIE: Now, Mr. Speaker, they are going to put a spending limit on Medicare so that if our cost goes up next year in excess of eight or ten per cent, whatever the figure is, they will only share the increase up to the eight or ten and we are left with the rest. Similarly with health insurance as I mentioned.

Now with education, post-secondary education, they are wanting to restrict what they are going to spend on that. Tax equalization, the present tax equalization formula they find has given the provinces too much money. They want to change the formula. That is our main source of revenue, over \$200 million this year, \$210 million or \$220 million. They want to change the formula on that. They want to eliminate the revenue guarantee. We will lose \$7 million or \$8 million by that.

Two years ago, Mr. Speaker, to illustrate this, the Federal Government indexed the personal income tax. In other words they are increasing the exemptions as the cost of living goes up. They collect the income tax for us and all the provinces except Quebec. Only Quebec I think collects its own.

Without consulting us the Federal Government changed the income tax so they started indexing and that meant, Mr. Speaker, an automatic loss of revenue because now the exemptions go up as the cost of living goes up. It was not changed in Quebec. They collect their own income tax. That means, Mr. Speaker, as a result of indexing I think our estimate is this year or next year we will lose \$15 million to \$20 million because they indexed the income tax through equalization and through losses of our own and our own personal income tax here, the share that we get.

Unilaterally this is one of the reasons why Canada is in some financial difficulty, they indexed it and they lost the automatic increase they got on tax revenues every year because they indexed it. But without asking us or the other eight provinces they indexed us too and we could take it or leave it. Now this small

MR. CROSBIE: province cannot impose and collect its own personal income tax. It would administratively be too expensive for us. We are not like Quebec. We are not big enough. So as a result of that unilateral decision of theirs we are losing \$8 million or \$10 million of direct revenue this year and next year plus equalization revenue. So there are all these federal cuts.

What happened the other day at the lottery? Is Canada, Mr. Speaker, going to become a unitary state? Look at the arrogance with the lottery. They held discussions with all the provinces on an inter-provincial lottery that would raise money in the various provinces for their own purposes and that discussion was held. Unilaterally the other day the Federal Government decided that they are going to institute this new lottery and that for three years after the Quebec lottery finishes the proceeds will go for the Olympics. And after that they will carry it on for their own little recreational projects nationally. Now that lottery will compete here with any lottery we have or any other province. But without as much as a by your leave and after discussing the matter and so on and they have now said they do not care what the provinces say or what the province's position is they are going ahead with their own lottery anyway. So in every direction, Mr. Speaker, the Federal Government is ignoring the constituent parts of this Confederation and they are going their own way and they are heading for a unitary state. We will not have a viable federal system, if this keeps up, within five years. The weak sisters will disappear and we are among the weak sisters.

Unless this is reversed, unless hon. gentlemen opposite can persuade their federal colleagues to reverse this trend, reverse whatever Mr. Trudeau is up to, that is the kind of country we are going towards.

MR. FLIGHT: Would the hon. minister permit a question?

MR. SMALLWOOD: In reverse of what the hon. gentleman is saying used to be like the Bible, like Holy Writ for the Liberal Party of Canada, the federal Liberal Party. That was their great essential policy.

MR. CROSBIE: That is right.

MR. PECKFORD: What?

MR. SMALLWOOD: Equalization.

MR. PECKFORD: Yes, exactly.

MR. SMALLWOOD: To lift up the backward provinces and if they are going against that I say shame on them. What is Confederation if it is not that? The very heart of Confederation is the whole principle of equalization.

MR. CROSBIE: Right. Was there a question, Sir?

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

MR. FLIGHT: It is a question in this sense, Mr. Speaker, that is it a fact that Canada's approach to Newfoundland or to any province right now that cuts in spending, what have you, comes as a result of their anti-inflationary programme and price and wage controls, the route they decided to go?

MR. CROSBIE: No, Mr. Speaker, the matters that I am talking about have no relationship at all to the wage and price controls.

MR. FLIGHT: The anti-inflationary -

MR. CROSBIE: No, nothing to do with -

MR. DOODY: What you are talking about is a guaranteed income.

MR. CROSBIE: Well, Mr. Speaker, that is exactly the point I am going to bring up next. Now while they are making all these restrictions and they want to impose limits on what is in place now **Marc Lalonde** and a bunch of **fanatics** in the Department of National Health and Welfare are trying to impose on us the new guaranteed income system.

Mr. Crosbie.

So on the one hand they are putting on these restrictions on medicare, post-secondary education, health insurance. The Department of Health and Welfare is still attempting to get all the provinces to agree to a new scheme of guaranteed annual income which is fine.

MR. SMALLWOOD: Prevent us from doing it and then force us to do it.

MR. CROSBIE: Well if we say no -

MR. DOODY: Guaranteed bankruptcy.

MR. SMALLWOOD: Guaranteed bankruptcy?

MR. CROSBIE: - if we say no we cannot do it, that Newfoundland just cannot afford our share, we cannot do it, and they go ahead and do the five or six other provinces how will we be able to resist doing it. But most of the provinces are opposing this at this time on financial grounds. This is a great concept if we can afford it.

MR. NOLAN: What position are the other provinces taking on the Olympic lottery?

MR. CROSBIE: Most of them have protested, certainly the Western provinces. I am not sure about the other Maritime provinces. So, Mr. Speaker, while they are trying to put on these controls on us in the directions I have mentioned in an inconsistent manner they still want to put forward another new social programme that will involve them and the provinces in big additional expenditures in future years. Now how can we risk going in on a guaranteed annual income programme not knowing but in three or four years time they will put a limit on that and say that we are only going to pay from now on. We will only meet increases of five or eight per cent a year and you will have to carry the rest of the burden.

And another point I just want to make in this last point, Mr. Speaker, the position on oil and gas, which I have mentioned in this House before. It seems to illustrate to me the utter inconsistency of the policy of the present government of Canada, because they are adamantly refusing to allow or concede that we have jurisdiction over the oil and gas off Labrador and Newfoundland. They have said that we do not have jurisdiction. They adamantly refuse to

Mr. Crosbie.

settle with us on any basis that we will have any control at all in any respect. They say that they would allow us to have an advisory role. We can advise them on what we think should be done. We can advise them should a permit -

MR. NOLAN: Mr. Speaker, could you call order?

MR. SPEAKER (Mr. Young): Order, please! I ask that some hon. members on my left please lower their voices.

MR. CROSBIE: They refuse to give us anything other than we can advise them whether a permit should be used or we can advise them on what we think of this, that or the other. They will not agree that at any point the Province would have a final say or a veto. They say, No, it is our jurisdiction. We are going to administer it. We will let you advise us and that is it." That is their adamant position.

MR. SMALLWOOD: On what?

MR. CROSBIE: On the oil and gas offshore. And our answer is that there is no way we can accept that. How can the Province accept that. While the oil and gas will be of some benefit to us and so on if we have no control at all, it is going to be relatively restricted. What is going to happen if we want the companies to establish onshore here and to have their services and their facilities onshore in Newfoundland but the federal government has the jurisdiction and they want to go to Halifax or Quebec? Is the federal government going to stop them? No, of course, they will not stop them. But if Newfoundland has control or has some final say we would be able to stop them. We would say, "No, you cannot use our resource unless you do certain things that we want you to do," the same as they have said in Norway.

MR. STRACHAN: Would the hon. minister permit a question? On the basis then some oil companies must be operating right now on federal permits only, and without provincial permits. Is this not therefore the Province accepting the fact that we have no jurisdiction over them?

MR. CROSBIE: Mr. Speaker, as far as I know there is no one operating on the federal permit only. The ones who are out there exploring have also asked and gotten one year interim permits from us.

MR. SMALLWOOD: No. If the hon. gentleman will allow me. I believe he is not entirely right. I believe there are three kinds of concessionaires, those with a concession from Ottawa and no one else, those with a concession from Newfoundland and no one else and those with a concession from both. I think the hon. gentleman will find that there are still some with a concession from Newfoundland alone.

MR. CROSBIE: That is correct, Mr. Speaker. But what I am saying is that anyone with a federal permit who has actually spent money out there in explorations has also gotten a provincial permit to cover their tracks just in case. Now the inconsistency here, Mr. Speaker, is that if the oil and gas is there and properly developed and properly regulated by the Province it could revolutionize the Province. It could put us on our feet. We could be self-sustaining. That would save the federal government tax equalization and the like. So they would save a considerable amount themselves if that were the case. But they do not want to accept that, and the reason they do not want to accept it is not a financial one, it is a question of control. They want to control what is happening in Canada. They hate it that Alberta owns the oil and gas in Alberta. The Albertans get them in a furry up in Ottawa, the bureaucrats and the ministers that these Albertans own the resource, and that, therefore, they have certain rights. It makes them furious, and they do not want Newfoundland or Nova Scotia or whatever to own the resource. I mean if we own the oil and gas out there they still have control over international trade and commerce. They have control over inter-provincial trade. They have control over the environment.

Mr. Crosbie.

They have control over external affairs. They still have a large measure of control, but they do not want us owning the resource because we may be troublesome to them if we own it. Because we might say to Eastcan you are not going to take any gas or oil off Labrador unless you employ all Newfoundlanders and Labradorians or unless you establish certain facilities onshore and so on and so forth. We will act naturally to what is in the best interest of the Province directly. They do not want us in the position to do that. They do not want us in the position to be independent because it is a lot easier for them naturally if we are down here subservient and have no rights in this area, but it is inconsistent. It is an inconsistency. It is not a question of the finances of the matter. It is a question of power and control, and the people in control today at Ottawa want the power and control centralized in Ottawa. That is where they want it, not out in the Provinces. That is why they are giving them such rough treatment and what happens to your natural resources and so on. They use the federal taxing power to take away any advantages you might have.

So, I suppose, the point I am making Mr. Speaker is that we have to look to the Government of Canada to assist this Province when you come to talk about really combating unemployment or developing the Province. And we do not have any indication that we are going to get that help today, that all the indications are opposite to that in all these big policy areas. And if that the position they are taking in those big policy areas becomes a fact this Province is going to be in a pretty dire state. We are doing everything we can and borrowing more money than we should because we cannot stand to see the unemployment rate ten or twelve per cent or fifteen or sixteen and so we are, therefore, taking more risks than we should on the financial side. And when we are criticized for that well what are we going to do?

Mr. Crosbie.

Are we just going to do nothing here in Newfoundland, have no capital account in the Newfoundland Government this year, pave no roads, reconstruct no roads, make no rural development loans, not assist Labrador Linerboard and close it down? Are these the things that anyone suggests or do we have to keep those going and try to keep some construction activity going which we are attempting to do with the amount that we are going to borrow this year. So that is the dilemma that we are in. And it would suit the Province a lot - I think it would be to all our advantage if the Opposition kept that in mind. I know the Opposition want to be the government. They feel they are better able to be the government, and the government should be out. You know that will come in time. Their chance will come in two or three years. But if we are to do anything about this -

MR. SMALLWOOD: The minister has now cut it down from four to five to two or three.

MR. CROSBIE: I do not know. Last year the election was 1975. There will be an election by 1980. It might be next year. Who knows? It might be next week.

MR. ROBERTS: There may be one this year.

MR. CROSBIE: There might be a coalition. Anything is possible. Elephants can jump over the moon. That is as likely as there is to be a coalition. You know the cow flew over the moon and all that business.

MR. ROBERTS: The hon. gentleman has not been asked for lunch?

MR. CROSBIE: I have not been asked for lunch in recent years, no.

MR. ROBERTS: If the hon. gentleman is asked for supper, beware.

MR. CROSBIE: So, Mr. Speaker, the point is that we have to do what we can. We have to look to the Government of Canada for help. We are not likely to get much. That is the point I am making, not very much, and we got a crew of people working on employment projects and suggested

Mr. Crosbie.

employment projects and what industry can be developed here and the onshore processing of fish. All the work is being done in these things. But they are not going to get very far without the assistance and the help of the federal government, and the same is true of the fishery. And in electricity we all know the problems we are having now and if the federal government really wanted to help in that area it could do it, just in the transmission line area alone, which I will leave for another time.

So, Mr. Speaker, I want to get on and deal with the Atlantic fish agreement that the member for LaPoile (Mr. Neary) brought up before I conclude. Mr. Speaker, this Province as I have said here before, and I will say it again, has only several chances to be self-sustaining. One is oil and gas off the shores and particularly if we control it, and that is an issue that I guess the courts are going to have to decide. That is one area of hope.

MR. CROSSIE:

The Province cannot have a future, any kind of a viable future without hydro power from Labrador no matter how difficult it is to get it, no matter how much the jaunts and taunts may be and the criticism may be while we are encountering difficulties getting it. If we cannot get hydro energy here from Labrador then we are dependent on oil fired steam on the Island of Newfoundland or nuclear. We are not any more competitive than anyone on the Mainland. We are subject to escalating costs, etc and so on. We have to get hydro here from Labrador no matter whether it is delayed a year, two years, three. It has got to be the objective no matter how long it takes as well as for the rest of Labrador too. Our future rests to a large extent on that.

The fishing industry, yes. If we can co-operate with Ottawa properly and institute more processing **on shore and a** sensible regulation of the 200 mile limit, that is of the utmost importance. The mining industry is coming along in any event. The pulp and paper, we are doing what we can now. We have done what we can in the last three years to give the sawmill industry every chance in the Province and we are still doing it. We have got Labrador Linnerboard which we are trying to keep going out in Stephenville against great odds which we get criticized for and attacked for for some reason. It is a project that, from the start it had to be faced, was not feasible in any normal sense which the Province had to take over because of the shape it was in in 1972, you know, which was based on the impossibility that you could get 600,000 cords of wood a year from Labrador when physically you can only get 150,000, without any proper examination of the cost of wood, and which has come through a lot of difficulties and it is having a difficult time now because of the industry that it is in.

The Linnerboard mill does not have itself any downstream converting plants. It is an independent producer of linnerboard. Most of the linnerboard mills in the world are owned by conglomerates that

MR. CROSSIE:

have their own box plants downstream. So they have always got an assured market for most of their linerboard. Therefore when the market goes up and down they can keep operating, they still sell linerboard themselves to convert in their own plants.

Labrador Linerboard is an independent. All its production must be sold to independent customers who will only buy from it when it is to their advantage to buy from it. It has the highest wood costs of any mill in the world. It has other economic facts against it. Therefore it can only sell its linerboard at a certain cost. It cannot sell at as low a price as the other mills.

If a mill down in the United States is getting wood at thirty dollars a cord and Labrador Linerboard's wood is averaging in excess of seventy or eighty dollars a cord then Labrador Linerboard has to sell its product for more, it has got to get more cash back for the product. It is just as simple as that.

Now, Mr. Speaker, the unfortunate thing was that in 1974 because of the world economy they were going berserk to get linerboard from Labrador Linerboard which was then coming on and was having the usual difficulties producing it. It could have sold every possible ton it could produce during 1974. If the market had not turned down in 1975 it could have produced, I would say they would have produced, 250,000 tons easily. If the market had kept up they would be going this year for 250,000 tons to 300,000 tons. They can produce this year 250,000 tons if they can get the markets for it. But the markets are still not there. The markets are still poor. The European economy has not recovered. So now we are in a position at Labrador Linerboard where we can visably turn it out - I have not got the exact figures here now - but in recent days the production has been 900 tons. One day it was over 1,000 tons. They can produce the linerboard now but the markets, the American situation is still very difficult.

The United States mills are still selling over in Europe at low prices. In 1974 there was a fifty or sixty dollar a ton difference

PT. PROSPECT:

between the United States prices and the European because the American mills sold all their production in the U.S. It could all be sold there and they did not dump any in Europe. In 1975 they started dumping in Europe because they could not sell it in North America. The prices in Europe went down to the U.S. price which makes it very difficult for us to sell there. So these are the economic facts in connection with Labrador Linerboard. It has had more ups and downs than you can shake a stick at, because of circumstances outside of their control.

Then we still have another problem, that when Labrador Linerboard gets to a position where their market will sustain and they can produce 300,000 tons of linerboard a year they have still not got an assured wood supply to meet the 300,000 tons a year. Or if they can get the wood it will still be very high cost wood. You know so that the difficulties of Labrador Linerboard are essentially these major facts, not difficulties created by the people who work there, who may or may not be as efficient as they can be. Or perhaps the place could be better managed. But the essential difficulties are not in their hands. They are in the hands of the government or this House to change. There is not an awful lot that this House can do about that either. Those are the essential problems of Labrador Linerboard. We have in the estimates \$28 million in capital account to help keep Labrador Linerboard going.

Now that is not all to operate Labrador Linerboard. About \$13 million of that is to pay principal and interest on the original Javelin debt. I think it is \$6 million odd dollars on principal and so much on the interest of the original Javelin debt that the government had guaranteed. Whether Labrador Linerboard operated or not that money would have to be paid out by the government in any event. So if it was not operating at all we would not have to have \$28 million in the estimates. Perhaps we would have to have something like \$16 million or \$17 million. But a lot of it would still have to be

MR. CROSBIE:

there anyway to meet these principal and interest costs, the old Javelin debt all of which has to be paid back by 1983.

Now, Mr. Speaker, there is no point in going into all kinds of details on Labrador Linerboard. I just want to mention that as being a factor and a big factor in our capital account. So we realize, Mr. Speaker, that we are borrowing more than propriety would indicate if we were being properly careful. But we are doing it to keep this Province, to try to keep it operating. We are getting no great sympathy from Ottawa. We are getting no special assistance from them. So we have got to do what we can do. So it is simply inconsistent to attack the government on the one side and say, you are not being financially thrifty and on the other side say, what are you doing about the great unemployment that we have got here and the rest of it.

Anyway, Mr. Speaker, it is all, I know, casting one's breath upon the desert air. Therefore I will get on to -

MP. SMALLWOOD: I resent that. I am not desert. I am listening to every syllable and agreeing with ninety per cent of it.

MR. CROSBIE: I except the hon. gentleman and all members of this House from that.

Now, Mr. Speaker, there was an issue or a question or a point brought up by the member for LaPoile (Mr. Neary). This was in connection with the Marystown fish plant, and a transfer of ownership from Atlantic Fish to Fishery Products Limited. Now, Mr. Speaker, there is nothing wrong with that agreement. There is nothing wrong with that deal. It is a sensible move and I will try to give the background and explain it. In 1966 the then government entered into an agreement with a company that was incorporated to be known as Atlantic Fish. That concern at that time or the principals were Gardner and Company or one of their companies, anyway it was the Gardner group. They were interested in getting into the fish business.

MP. SMALLWOOD: They were in it.

MR. CROSBIE: They were in the tuna business I think.

MR. SMALLWOOD: They were going down to South America and looking for tuna.

MR. CROSBIE: Right. In any event the government agreed that the government would put up the fish plant at Marystown and that was located at Marystown. The government would build and equip the fish plant and would lease that plant and equipment to Atlantic Fish and also would help Atlantic Fish acquire certain trawlers, put up some of the money for the trawlers. There was an Act passed in this House in 1966, the Mooring Cove Building Corporation Act. That Act authorizes the government to set up - it is Act No. 46 and 66 - to set up-it is called the Mooring Cove Fish Plant Building Act, 1966 - that authorized

MR. CROSBIE: the government to set up a building company, the Mooring Cove Building Company Limited and to have that company construct the plant and the government raise the money for it by bonds or by loaning it the money and so on and then lease it to Atlantic Fish Processors Company Limited, the lease payments to be guaranteed by Atlantic Sugar Refineries Company Limited. Certain tax exemptions were given and so on, and the agreement will have the effect of law and it could be assigned, etc.

The first point to clear up is that the member for LaPoile (Mr. Neary) was completely incorrect on Friday when he claimed that under this legislation the new agreements of Marystown had to be tabled in the House. That is just not so. There is nothing in the legislation that requires legislative approval for the transfer of the lease. The lease is not a part of the statute. The Act just sets out the obligations of government and Atlantic Fish, originally, and the building of the plant and leasing it. So legislation is not involved in this transaction at all. The House does not have to be consulted. There is nothing to table in the House and no requirement to table anything.

MR. SMALLWOOD: The property surely belongs to the people and the people should be told if the disposition of it is changed.

MR. CROSBIE: Yes. The people were told, Mr. Speaker, three or four weeks ago what had happened with the concern down there and I am going to elaborate now.

MR. SMALLWOOD: You only told in broad possible - it should have been tabled even though the law did not require it.

MR. CROSBIE: Well it has been tabled now in any event.

So, Mr. Speaker, the government went ahead and built this complex at Marystown.

MR. SMALLWOOD: When was it tabled?

MR. CROSSIE: And the plant was a lot more expensive than anyone contemplated and it has always been claimed by people involved in the fishing industry that the plant at Merystown cost a lot more than it should have because tenders were not called and so on and so forth. There was a cost-plus contract, etc. In any event as it turned out the complex cost in excess of \$9 million. That was leased by several leases to Atlantic Fish.

The original agreement was dated March 1, 1966 and that provided for what was going to happen. Then there was a lease entered into on June 1, 1967 which was not the final lease because it was not known then how much it would cost. **There was another lease entered into in 1970, the final lease, June 1, 1970, signed by the Minister of Economic Development of that day who is now the member for Conception Bay South (Mr. Nolan) and by Atlantic Sugar Refineries Company, Atlantic Fish and Mooring Cove Building Company Limited. So the government's Crown Corporation put up the plant, equipped it and then leased it to Atlantic Fish and Atlantic Sugar, the parent company, guaranteed the lease payments.**

Mr. Speaker, the lease payments came to, when the final figures were in, the lease payments came to \$826,502 a year. That is what the lease payments came to. Now the final lease entered into was signed on June 1, 1970, it was for twenty-five years from June 1, 1967, twenty-five years from 1967, that is nine years ago and the rental as I say was - the capital cost was \$9,485,000 in round figures and to amortize that and so on over twenty years they had to pay \$826,000 a year. The interest rate was six and a half per cent on \$9,600,000, or on part of it at six and a half per cent, anyway it came up to a yearly payment of \$826,000, so that Atlantic Fish did not own the premises. The premises were

MR. CROSBIE: owned by the Government of Newfoundland through this Crown Corporation. There are various covenants in the agreement some of which did not protect us very much.

The lease could be assigned by the lessor. It can only be assigned by the lessee or the lessor with the consent in writing of the other party and it went on to say, "Which consent shall not be unreasonably withheld."

Now, Mr. Speaker, that should be noted because the government did not have the right to say, "You cannot assign this lease." Full stop! period! "You cannot assign it." The government could only object to it being assigned so long as that objection was not unreasonable. But if Atlantic Fish or Atlantic Sugar wanted to assign the lease to that plant, and it was a reasonable arrangement and they were assigning it to somebody who was capable of operating it and so on, then the court would hold that we would have to agree to it.

MR. NEARY: Why did they not sub-lease it?

MR. CROSBIE: You listen to me now, perhaps you will understand the transaction. Now I know you do not want to understand it. I know you want to obfuscate it.

MR. NEARY: I am not the only one.

MR. CROSBIE: And I know that you want to just do as much damage as you can with it and I know you are not seriously interested in it, but I am trying to explain to the other hon. gentlemen of the House what happened.

MR. NEARY: I am interested in the Crosbie Corporation too, and Leematt Traders too. I am interested. Do not try to pawn it off and drag the red herring through.

MR. CROSBIE: What childishness! If the hon. slag mouth would just be quiet for a moment.

MR. SPEAKER (MR. YOUNG): Order, please!

MR. NEARY: What about blabbermouth? Bully boy?

MR. CROSBIE: Mr. Speaker, could I have Your Honour's protection?

MR. SPEAKER (MR. YOUNG): Order, please!

MR. CROSBIE: I am afraid of that hon. gentleman. I need your protection, Mr. Speaker. He has got me terrified here.

Now, Mr. Speaker, if I can continue. So, Mr. Speaker, the clause in here about assigning the lease was not one that gave the government the power to agree or disagree which it should have been. It was the power to --"which consent shall not be unreasonably withheld." So that is one thing to notice.

Now, Mr. Speaker, there was another clause in the lease, **that said, "During the term here the lessee will operate the plant for processing, curing, filletting, salting, freezing or otherwise treating and selling fish and other products of the sea and products and by products thereof or of any of them and will carry on such operations to the extent that it is economically feasible so to do."**

So there was a mild obligation, Mr. Speaker, on Atlantic to carry on fishing operations, to carry on operating the plant, **they had an obligation to operate it to the extent that it is economically feasible to do so.** Now that is not a very strong obligation because if they did not want to operate the plant you know they certainly should not have much trouble showing it was not economically feasible to do so.

MR. NEARY: They did that back in 1971.

MR. CROSBIE: I do not care what they showed in 1971. I am talking about 1975, as long as they could show they were losing money and were not making money they could close the plant and it would not be a breach of that lease. So the clause there was they were to carry on such **operations to the extent that it is economically feasible so to do.** That was their obligation.

Those were some of the main sections.

MR. NEARY: Did they prove it?

MR. CROSBIE: When the hon. gentleman restrains his impatience then I will deal with the situation.

MR. NEARY: I hope the minister is going to table the backup document.

MR. CROSBIE: Mr. Speaker, I think that those were a couple of the essential things to notice there. Atlantic Sugar guaranteed the lease payments. There was also an arbitration clause.

By the way, Mr. Speaker, here is another weakness in the agreement. This is an agreement entered into when the hon. gentleman from LaPoile (Mr. Neary) was a member of the government.

MR. NEARY: No, when Bully Boy was a member of the government.

MR. SPEAKER (MR. YOUNG): Order, please!

MR. CROSBIE: One would think, Mr. Speaker, that he with his iron trap mind -

MR. NEARY: Bully boy was in the government.

MR. CROSBIE: - and with his fantastic eye for detail that he would be going through these documents and seeing the weak points.

The date of this document is June 1, 1970.

MR. NEARY: Who was in the government then?

MR. CROSBIE: You were.

MR. NEARY: Bully boy.

MR. CROSBIE: The hon. gentleman was.

MR. NEARY: No I was not.

MR. CROSBIE: I left the government in May of 1968, Mr. Speaker.

MR. NEARY: When that agreement was made Bully Boy was there.

MR. CROSBIE: Now the hon. gentleman who has got such a sharp eye, the force majeure section, Mr. Speaker, is a very broad force majeure clause and the lessee is excused from complying with the agreement by reason of strike, lock out and other labour difficulty, explosion, epidemic, fire, flood, freeze, severe winter conditions, ice blockage and acts of God, accidents, transportation contingencies, non-delivery or delayed delivery of materials, equipment or supplies which is broad enough and then it goes on to say, "Or adverse commercial, economic or market conditions." So that Atlantic Fish, Mr. Speaker, could

MR. CROSBIE: stop operating the plant and plead force majeure if there were adverse commercial, economic or market conditions. All they would have to do is show that the market is bad for fish, the market is gone **down**, there is an adverse market condition and close and not be in breach of this agreement - or adverse commercial, they are losing money or economic.

MR. NEADY: Did they try that before?

MR. CROSBIE: Very broadly worded force majeure clauses. So, Mr. Speaker, I just give that as background to come up to the present situation.

Now at the end of 1974, or early 1975- by the way in the meantime Atlantic Fish and Atlantic Sugar **are now** in the picture. Anyway it ended up eventually that the **Jannock** Corporation is the parent company and that Atlantic Consolidated Foods is a substantial subsidiary of theirs and Atlantic Fish, which operates the plant at Marystown, is a subsidiary of Atlantic Consolidated Foods or whatever it was called. So **Jannock** in the meantime has become the parent company and it has absorbed Atlantic Sugar and so on. So the position in 1975 was that if **Jannock** is the parent company, Atlantic Consolidated Foods is one of their subsidiaries and Atlantic Fish is a subsidiary of that and that owns and operates the fish plant at Marystown.

Now, Mr. Speaker, **Jannock** made a decision. **Jannock** is a **conglomerate**. **Jannock** is in the sugar business. It was in the fish business in Marystown.

MR. CROSSIE:

was in the fish business in Marystown. It is in the Pulp and Paper Industry in New Brunswick. It was in several manufacturing activities. It is a conglomerate. The directors of that conglomerate could not care less what happens in the Province of Newfoundland or whatever. They are interested in how their conglomerate is doing and what return are they getting on the money they have got invested. They had invested in Marystown a substantial amount of money on which they were not getting any return, they were not earning any return on that money. The fish business had its ups and downs. They had had a year or two where they made some money. But now at the end of 1974 the bottom had fallen out of it, again hon. gentlemen will recall, in the beginning of 1975, and they made a corporate decision that they were going to sell or close down the Marystown fish plant, that they were not going to continue operating the fish plant at Marystown.

Well of course naturally they wanted to sell it if they could get a sale for it. That is much better. You get some of your money out. But if they could not sell it they were going to close in any event. They made a policy decision to get out of the fishing industry. So they told the government it was their intention to dispose of their position in the Marystown fish plant and the trawlers and that they were definitely going to terminate their activities in the fishing industry.

Now the government informed Jannock that we had no intention, that we were not going to just allow them to work away from the plant and let them sell the vessels, that we would do whatever we could to stop that and that it was in our mutual interest for them to do the best they could to find a party to sell it to that would be acceptable to us under an arrangement that would be acceptable to us. The reason that they would have to consult the government, Mr. Speaker, is not that the government had loaned them any money and so on but under the lease we had to consent to an assignment, the government had to consent to an assignment.

AN HON. MEMBER: This House had to consent to it.

MP. CROSBIE: No, the House did not have to consent to a thing. You were not here when I explained to the House the legislation does not require the House being consulted and so on and so forth. The House does not have to be consulted. The legislation permits it to be assigned without any reference to the House. But they had to consult the government to get the government's consent.

Now, Mr. Speaker, there are several other reasons why they had to consult the government. Because they could not find anyone who would take the lease over and pay \$826,000 a year on the lease. The people that they tried to deal with-and they tried to make a deal with Lakes, and they tried to make a deal with Fishery Products, and I do not know who else - but whoever they spoke to or dealt with they were not interested in taking over the lease unless the yearly rental on the lease was reduced.

MR. SMALLWOOD: Who is the they?

MP. CROSBIE: I just mentioned Lakes, Fishery Products, everyone they consulted, everyone they tried to sell it to.

MR. SMALLWOOD: Who is the they that consulted.

MP. CROSBIE: Jannock who were trying to sell the plant. They could not find anyone who was interested in taking it.

MP. NEAPY: Had they proven up to this point that it was uneconomical to operate it?

MP. CROSBIE: Mr. Speaker, can I carry on? Jannock has come now and they have said they are going out of the fishing business. That is it. They are getting out of the fish business. They are going to try to find a buyer. We said that we do not want them leaving the fish business until another satisfactory operator and buyer has been found. As a result of our discussions they agreed to co-operate and they would try to find a buyer and get a buyer who would enter in a deal satisfactory to us. We would do what was necessary if they did do that and so on.

MP. NEAPY: They could not close it.

MR. CROSBIE: I am coming to that, Mr. Speaker. You know he is not really interested in hearing the background. He just wants to make these foolish points.

MR. NEARY: I am interested in EPA, Leematt Traders, all the companies the hon. member has his shares in.

MR. CROSBIE: Well, boy, I have no shares in them.

MR. NEARY: No? I have two here the hon. member has, Leematt is one of them.

MR. CROSBIE: Is that right?

MR. NEARY: Yes that is right.

MR. CROSBIE: I have not got any shares in Leematt. Mr. Speaker, I am not worried about Leematt. I do not care about Leematt. And the hon. gentleman can be like a boll weevil -

MR. NEARY: We know the hon. minister does not care. He does not care about anything.

MR. CROSBIE: He can weevil through whatever he likes it does not bother me. It is not going to concern me.

Now, Mr. Speaker, so we told them to go out and as I say they could not find anyone who would take over the lease and pay \$826,000 a year.

MR. SMALLWOOD: Did that eight hundred odd thousand not buy the plant? Was that not downpayments on the purchase?

MR. CROSBIE: Mr. Speaker, if paid for twenty-five years that is the amount determined sufficient to pay off the principal and interest and then at the end of twenty-five years whoever paid it off would get the plant. But no one was prepared to meet this. They said it was too high. They all wanted the period lengthened so they would have to pay less per year. Because you were going around in 1975, Mr. Speaker, and 1976 when the fishing industry was not exactly in the flush of shape, particularly 1975.

So, Mr. Speaker, they went out then to try to find a buyer. Now as far as their shutting the plant down is concerned, Mr. Speaker, we have to remember this is a lease. Jannock is a

MP. CROSBIE:

guarantor on the lease. If they shut the plant down Jannock would have to pay up the \$826,000 a year but they would not have to operate.

MR. SMALLWOOD: Would the hon. minister allow? It is not precisely a lease, it is higher purchase, is it not?

MR. CROSBIE: Mr. Speaker, this is a lease which gives the lessee the right after he has made all the payments to acquire title to the property.

MR. SMALLWOOD: What we called the Robin Hood principal?

MR. CROSBIE: Well not exactly the Robin Hood principal.

MR. SMALLWOOD: We did it first in the feed mill in here at Long Pond and the second one was this fish plant in Marystown.

MR. CROSBIE: Mr. Speaker, look it is very difficult to carry on like this.

MR. SMALLWOOD: The hon. gentleman is not embarrassed by me?

MR. CROSBIE: I am not embarrassed by the hon. gentleman but it makes it difficult. The agreement is a lease and if the lessee pays for twenty-five years what he is supposed to pay he can get title to the property. But it is still just a lease. Now if Jannock did not want to operate the plant any longer and if Jannock could show that it was no longer commercially feasible, they were losing money down there and therefore did not want to continue, which they could show, their only obligation was -

AN HON. MEMBER: Did they?

MR. CROSBIE: - we have seen their balance sheets and so on - their only obligation was to - I referred to the phrase there before. The phrase is, "Carry on such operations to the extent that it is economically feasible to do so, or the force majeure clause which I referred to earlier - Jannock could close down the plant, continue to pay the \$826,000 but the plant would not be operating. Now the principal objective of the government in this whole deal had to be to see that the plant continued operating. If we got to loggerheads with Jannock

MP. CROSBIE:

and they started to get tough with us and said, "It is not commercially economically feasible for us to operate the plant but we are going to pay your yearly lease payment and close the plant," then they would have us in a cleft stick, because our interest in the plant is the employment the plant provides. So that they were not at our mercy. We had certain weapons but they had certain weapons. So that had to be kept in mind.

Number two, the trawlers. There are fourteen trawlers there, nine of them financed in the earlier years when the plant went their originally and I think three or four since then. Those trawlers were very largely paid off and they could sell them. There was nothing to stop them from paying off what was owing on the trawlers, \$2.5 million on those nine trawlers. They could sell the trawlers for much more than that and the trawlers would be gone out of Newfoundland. We had no way of stopping them from selling the trawlers. So that is another little weapon they had if it came to a major battle.

Mr. Speaker, they had five new trawlers just completed in which the Newfoundland government had no financial interest at all which they had financed through Teledirect. That is some kind of a finance company. So they had five new trawlers just coming on and the important thing was to make sure that those fourteen trawlers continued to fish out of Newfoundland and continued to be owned in Newfoundland. But we had no weapon with which we could get control of those fourteen trawlers if it came to a knock down struggle with Jannock. So we had to keep that in mind when we were dealing with Jannock to see what kind of deal Jannock came up with with a purchaser.

MP. SMALLWOOD: Were those five really owned in Newfoundland?

MP. CROSBIE: They were owned by Atlantic Fish.

MR. SMALLWOOD: Were they owned in Toronto?

MP. CROSBIE: I am not sure in what company they had the names but

MP. CROSSIE:

no matter what company they were in we could not have prevented them selling them. You know we had no mortgage on them. We had no -

MP. SMALLWOOD: Right.

MP. CROSSIE: So we wanted to make sure the fourteen trawlers stayed fishing in Newfoundland. If we were at loggerheads with Jannock and they closed the plant and we went to arbitration about is it commercially, economically feasible those trawlers could be sold outside the Province. They could not be sold outside Canada without federal consent but we might lose control of them in the Province. We would have the people out of work down there for six months while it went to arbitration. That is not a very good alternative.

MP. SMALLWOOD: You would have over 200 men out of work on the trawlers.

MR. CROSBIE: Exactly, and another 500 or 600 at the plant. Now in addition, Mr. Speaker, as time went by, you know, the morale was getting affected at the plant because it was known also by the employees down there that Jannock wanted out, and that they said this publicly that they were going to sell it. They were all in a state of uncertainty. The manager they had in Newfoundland left, not the manager of the plant at Marystown. This all created an uncertainty and, you know, as time went by it became desirable to get the situation resolved. Well, Mr. Speaker, they came in with several proposals. First there was a proposal from the Lakes. We had to turn that down because of the financial aspects of it. They wanted to reduce the rent down to four hundred odd thousand a year. They wanted government to forget certain arrears of payments and add them on to the end of the mortgage, and there were various things like that. It was just financially out of the question. So that had to be let go. Then Fishery Products made a somewhat similar proposal.

MR. SMALLWOOD: Who else?

MR. CROSBIE: I am coming to that now. I said, Lakes first and then Fishery Products. They came along and made a proposal of their own which still was not financially attractive. And then Fishery Products, I think, made a proposal with Nickerson that we had to turn down. It still was not strong enough.

MR. SMALLWOOD: That was a joint proposal.

MR. CROSBIE: A joint proposal with Nickerson. And all of these got a lot of complications to them of how they would operate and how they would work out. Then finally the Lake group of companies put in a proposal and allied with them was National Sea Products and Nickerson. So it is the Lake group, National Sea and Nickerson.

MR. SMALLWOOD: A three way deal?

MR. CROSBIE: Yes, the three of them together.

MR. SMALLWOOD: Oh.

MR. CROSBIE: And a proposal was put in by Fishery Products with O'Donnell Houston, a company down in the United States that markets fish down there.

MR. SMALLWOOD: Boston Fish Market.

MR. CROSBIE: Pardon?

MR. SMALLWOOD: Boston Fish Market.

MR. CROSBIE: Yes. They got a big distributing company down in Boston.

Well this all took place now, Mr. Speaker, over a period of - I suppose it started about half way through 1975, and these last proposals came in the end of February, and they were looked over, and the government decided that the best proposal was the one that was being put in by Fishery Products and O'Donnell Houston. Now the essence of that proposal is -

MR. SMALLWOOD: The one that was made is Fishery Products and O'Donnell Houston?

MR. CROSBIE: Well as it ended up there were two proposals in. One, Lakes combined with Nickerson and National Sea and the second Fishery Products combined with O'Donnell Houston.

MR. SMALLWOOD: Yes.

MR. CROSBIE: So these were analyzed and looked at from the point of view of finances, and from the point of view of what is best for the fishing policy of the Province, because you just cannot look at the financial point of view alone.

MR. SMALLWOOD: That is to say it is best from the point of view of good management of the plant after it was taken over.

MR. CROSBIE: Yes. And how does it fit in to how you see the whole fishery of the Province developed. Now, Mr. Speaker, Fishery Products, of course, is wholly Newfoundland owned and the other combination was Lakes with two companies who had no ownership at all in Newfoundland. That is Nickerson and National Sea.

So the eventual agreement was - now in all these cases no one would agree to take over the lease and pay \$826,000 a year. And in fact we told them before they made the proposal that the government

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would agree to extending the lease. You see the lease had sixteen and one-half years remaining at \$826,000 a year. The government told them both that if they made a proposal offering to pay roughly \$625,000 a year annual rental, which would extend the period of repayment now by thirty years, that that would be acceptable.

MR. SMALLWOOD: Not going on top of the sixteen.

MR. CROSBIE: No, no, including the sixteen.

MR. SMALLWOOD: Sixteen is extended to thirty.

MR. CROSBIE: Right.

So to get anyone to make a proposal we have had to agree to stretch out the time.

MR. SMALLWOOD: How much money is that, thirty years time \$625,000?

MR. CROSBIE: It is thirty years time \$624,000 or \$625,000.

The original was \$826,000 and it had sixteen and one-half years remaining. So they both included that in their proposal.

MR. SMALLWOOD: Would the minister allow me?

Did Atlantic Fish Processors pay up? Did they pay up the \$800,000 a year from the beginning? And are the government in that amount? And do they now forfeit that amount?

MR. CROSBIE: No, no. Atlantic Fish and so on have made all the lease payments up to the time of this transaction.

MR. SMALLWOOD: Yes.

MR. CROSBIE: They are not making any other lease payments.

MR. SMALLWOOD: But they do not get any of that back.

MR. CROSBIE: No, no. That has just gone as rent. They do not get anything back.

MR. SMALLWOOD: The government have received that.

MR. CROSBIE: Oh, yes. Atlantic Fish are now paid up to date. They have paid on this lease from 1967 to 1976.

MR. SMALLWOOD: So it is the straight rent.

MR. CROSBIE: They do not get that money back. That is gone into whatever equity there is and Fishery Products take that over. You know the new lessee takes that over.

MR. SMALLWOOD: In cash?

MR. CROSBIE: Pardon?

MR. SMALLWOOD: You cannot have it in cash.

MR. CROSBIE: No, no. They paid their rent. The rent has some to the government.

MR. SMALLWOOD: To whom?

MR. CROSBIE: Atlantic Fish has paid their rent to Mooring Cove Building Company and Mooring Cove Building uses it to meet the payments on the principal and interest on the loans it got. So that there is no money there.

MR. SMALLWOOD: The loans it got from the government.

MR. CROSBIE: Atlantic Fish has not gone off with anything. It has had to paid its rent, but it has given up the lease and assigned it to Fishery Products who has now taken over the lease.

MR. SMALLWOOD: And the money that they had paid in went to Mooring Company who used it to pay interest on what they had borrowed from the government.

MR. CROSBIE: That is right.

MR. SMALLWOOD: So the Treasury received it.

MR. CROSBIE: Oh, yes, sure. They have had to pay, and they had to pay up until the date of this assignment. They were responsible for it up to then. From now on it is Fishery Products Marystown Limited who are responsible to pay the annual rental which has changed to \$625,000 a year. That is the rough amount and that will go on for another thirty years. And if they pay that for thirty years they will become the owners of the plant at Marystown. So that was one thing that had to be changed. Now Fishery Products Marystown then purchased the working capital of Atlantic Consolidated Foods. That is just between them and Atlantic Consolidated Foods. They worked out that exchange. Fishery Products Marystown Limited purchased the nine trawlers from Atlantic for the amount that the mortgage is outstanding to \$2.9 million. So Fishery Products Marystown Limited gets the nine trawlers. Now the five trawlers that Atlantic Fish had constructed

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recently financed through Teledirect - they were leased by Teledirect to Atlantic and under this arrangement now they are going to be leased by Teledirect to Newfoundland Industrial Development Corporation, and it will sublease them to Marystown Fishery Products at Marystown.

MR. SMALLWOOD: Would the minister tell me. Are O'Donnell Houston part of this?

MR. CROSBIE: O'Donnell Houston are involved with Fishery Products in it.

MR. SMALLWOOD: They are what?

MR. CROSBIE: They are involved with Fishery Products in Fishery Products Marystown Limited.

MR. SMALLWOOD: In what way? Just marketing?

MR. CROSBIE: No, no. They hoped to market some of their product, and they are loaning them some money in connection with it.

MR. NEARY: They did not sign this agreement. They are not involved with this agreement.

MR. CROSBIE: That is right. They are not involved in the agreement.

MR. SMALLWOOD: But they are involved with Fishery Products.

MR. CROSBIE: They are involved in this deal with Fishery Products.

MR. SMALLWOOD: Does that bring them into any kind of poor relationship with the O'Briens on the Southern Shore? Because it is O'Donnell Houstons who financed them in the main.

MR. CROSBIE: Right. No, they are completely separate now.

MR. SMALLWOOD: From the O'Brien's?

MR. CROSBIE: Yes. Oh, yes, O'Briens are operating their own.

MR. SMALLWOOD: And are not connected with O'Donnell Houston now?

MR. CROSBIE: No.

In fact the other plant that used to be owned by O'Donnells that is owned now by some big American conglomerate, W. G. Grace and Grace sold out to somebody else, you know.

MR. SMALLWOOD: W. G. Grace?

MR. CROSBIE: Yes.

MR. SMALLWOOD: That is Peter Grace. I know him well.

MR. CROSBIE: Anyway one condition that we laid down is that we said that we do not want Teledirect leasing the five trawlers.- they had leased them to Atlantic.- that we want them now leased to NIDC and NIDC will sublease them to Fishery Products Marystown Limited. We would not guarantee it. They do not want to guarantee the lease. We want the lease with us so that we control the five trawlers. So that if Fishery Products Marystown defaults at any time at least we have got the five trawlers, and so the five trawlers are leased from Teledirect to NIDC and subleased to Fishery Products Marystown Limited on the same terms as the other former lease.

MR. NEARY: You do not own them. You are just leasing them.

MR. SMALLWOOD: That is the five new ones.

MR. CROSBIE: Yes, the five new ones. They are financed by Teledirect and Fishery Products Marystown has to pay the lease payments to us, and we turn them over to Teledirect.

MR. SMALLWOOD: We have no money in them.

MR. CROSBIE: No, right. But if any time Fishery Products Marystown defaults to us we are in the position to control the trawlers because we are the lessor.

MR. SMALLWOOD: Not owned but controlled.

MR. CROSBIE: Yes. And we would own them if we paid off Teledirect.

MR. SMALLWOOD: Where were they built?

MR. CROSBIE: These were built in Marystown.

MR. SMALLWOOD: Oh, good.

MR. CROSBIE: Now the Fishery Products

MR. CROSBIE:

arrangement was felt by government to be better than the consortium's suggestions. Another thing was of course that Fishery Products Limited is guaranteeing the lease payments from Fishery Products Marystown to Mooring Cove Building for five or eight years.

MR. SMALLWOOD: Would the minister allow. In spite of what he said I know that I do not embarrass him and I know he does not lose the train of thought. There was an offer the minister tells us from the Lakes and National Sea and the Nickersons, three. That is a pretty remarkable group and National Sea are wonderfully strong and tremendously experienced. Would that not have been a magnificent new group to come in and to take over? In what way was the Fishery Products group better?

MR. CROSBIE: Well number one Fishery Products is a lot simpler for the government to deal with. It is owned and controlled in the Province. Nickersons and National Sea may be and they are very good companies but they are not Newfoundland owned. But in analysing the two proposals the major differences are that the consortium, party was going to incorporate a company to take over the plant Fishery Products, Marystown and the consortium would have incorporated a company.

MR. SMALLWOOD: Three new companies to be formed to take it over.

MR. CROSBIE: Just to take over the plant. So we said that the principal company will have to guarantee the lease payments. Now Fishery Products, O'Donnell Houston agreed to guarantee the lease payments for eight years. But the consortium would not agree to guarantee the lease payments for any period of years.

MR. SMALLWOOD: That is crazy.

MR. CROSBIE: So that was one weakness in their proposal compared to Fishery Products.

MR. SMALLWOOD: Is the strong clause there about requiring them to maintain the whole property in good shape?

MR. CROSBIE: I think there is a clause in the lease that it has to be kept in good repair and all those normal things.

MR. SMALLWOOD: It is in that lease?

MR. CROSBIE: Yes, well, that was one of the factors. I am not sure where the other one is at the moment. The other thing was that the consortium wanted us to guarantee the loan to Teledirect on the five trawlers. They did not want us to take the lease from Teledirect and then sublease to the fish plant company. So that was not acceptable either. So there are several things there that were not as attractive about their proposal as Fishery Products proposal.

Mr. Speaker, in addition to which the Fishery Products proposal enables us to have full control within the Province of the Marystown operation. We think that it will help the viability of all the Fishery Products Limited and their subsidiaries. It is going to create a strong marketing position for this entity and Fishery Products trawlers together with the fourteen at Marystown means that there are over forty trawlers close to the shipyard there that should be of benefit to the shipyard and to them. We are hoping to be able to make some arrangements on using any trawlers that may be surplus at any time to fish into other fish plants which is easy to do with Fishery Products. There will be no possibility of this raw material if it is surplus at any time in Marystown being diverted to Nova Scotia or somewhere outside the Province.

So, Mr. Speaker, as far as the government was concerned what we had to decide was what was the best proposal that could be gotten for many concerned by Jannock and what was the best for the Province to do when we looked at these proposals. So the Province, I think, in the way that was eventually agreed to has gotten a good deal out of this. The plant is now still continuing to operate. We think it is going to add strength to the Fishery Products organization in the Province and vice versa. It was all important that the fourteen trawlers be kept in the Province and that is now the case and we think that Fishery Products are a strong operator and we think that this is an arrangement that will be a good arrangement for the Province. It has also given us through the Teledirect arrangement

MR. CROSBIE:

the ability to control five other trawlers to make sure that they fish into the Province.

MR. NEARY: What about the plant being uneconomical? Did they ever prove that or did the government want to get control?

MR. CROSBIE: Mr. Speaker, they proved or they showed to us - we had full access to their financial statements - that they lost money.

MR. NEARY: But does he think they were -

MR. CROSBIE: They lost money in 1974 and were losing money in 1975. That being the case if we went to arbitration they would be able to show that it was not economically feasible to operate the plant in accordance -

MR. NEARY: You said that before.

MR. CROSBIE: - or, Mr. Speaker, they could go under the force majeure clause and show that there were adverse, commercial, economic or market conditions. But suppose, Mr. Speaker -

MR. NEARY: The market was never better.

MR. CROSBIE: If I might give my opinion. But suppose, Mr. Speaker, that we did not agree with them. All right then we could go to arbitration and that would take three or four months and then the aggrieved party could appeal to the Supreme Court and so on. So, Mr. Speaker, the plant could be closed for six months or a year. Now this has all been argued out. One has to look at what -

MR. NEARY: They were not allowed to close it.

MR. CROSBIE: - the practical side of this is. The important thing was to keep the plant operating in Marystown and get the best possible deal and that is what we have, Mr. Speaker. We kept the plant operating. We got the best possible deal. There were very few concessions made. Atlantic Fish had to make all their payments up until the time the turnover took place. They had to agree to raise the Atlantic Ellen which had been down at the shipyard in Marystown

MR. CROSBIE:

for a year. They had to agree to meet the costs of raising the Atlantic Ellen. They had to agree to settle certain claims they had against the shipyard at Marystown, give up these claims and so on and so forth to get this whole arrangement through.

So, Mr. Speaker, it was a difficult situation and we did not have all that many cards. Jannock to give them credit did not want to do anything to shut the plant down or cause unemployment there. We had to turn down half a dozen proposals that they made or other people made before we got one that we thought was in the best interests of the Province. That is the one that I have described. The lease and certain documents can be tabled here and will be and some of the documents are just documents that only affect Atlantic Fish and Fishery Products. They do not have any public input into them. The lease and the arrangements on the Teledirect trawlers are the only things that involve the Province. Those can be tabled.

So I hope, Mr. Speaker, that I have managed to explain the somewhat complex deal at Marystown which we think is in the best interests of Marystown and the Province which has now taken place without any interruption of employment and which we think will be for the benefit of the Province.

MR. NEARY: They could not close the plant down.

MR. CROSBIE: Mr. Speaker, I have just said repeatedly and I have referred to the documents and I say again that Atlantic Fish could close the plant at any time they choose.

MR. NEARY: They could not.

MR. CROSBIE: And act on the clause of force majeure and the other clause in the lease. They were entitled to do that and that we did not control the fourteen trawlers. They could sail them away where they liked and sell them and those trawlers would be very saleable. There are nine trawlers there on which there is only owing on the nine trawlers \$2.7 million. Today you would sell those trawlers for a couple of million apiece. And there were another five new trawlers

MR. CROSBIE:

just completed, financed through Teledirect which they could sell anywhere outside this Province. We had no control over the fourteen trawlers and they could shut the plant and argue they could not operate any longer under the lease and we would be months and months going to arbitration, going to court and the people at Marystown would be out of work.

MR. NEARY: Nonsense.

MR. CROSBIE: While we are waiting to prove -

MR. NEARY: Nonsense.

MR. CROSBIE: - the hon. gentleman's point that they could not shut the plant.

MR. NEARY: Nonsense.

MR. CROSBIE: They can shut the plant tomorrow simply by telling the manager, shut the plant.

MR. NEARY: Nonsense.

MR. CROSBIE: If they shut the plant how could you make them open the plant.

MR. NEARY: They could not shut it.

MR. CROSBIE: I mean do not get on with such foolish nonsense.

MR. NEARY: They could not shut it.

MR. CROSBIE: The hon. genius from LaPoile (Mr. Neary). No one can shut the hon. genius up. That is the trouble, not shut the plant.

MR. NEARY: Why is it Mr. Val Earle is still on the Board of Directors? Why has he not been replaced?

MR. CROSBIE: I do not even know if Mr. Val Earle is on Board of Directors.

MR. NEARY: I have got it here look.

MR. CROSBIE: Now, Mr. Speaker, the hon. gentleman flutters down to the Registry of Companies. The hon. Val Earle has been replaced by the hon. Billy Doodle. He has replaced him. Do you know that.

MR. NEARY: If he has replaced him it must be only recently.

MR. CROSBIE: But the annual return for next year does not have to go in until next January. So the public will not know about Doodle until next year.

MR. SMALLWOOD: That is no way to refer to one of the Queen's ministers.

MR. CROSBIE: Well the hon. Queen's minister.

MR. NEARY: Well is Mr. Martin still on the Board of Directors?

MR. CROSBIE: No.

MR. NEARY: Who has replaced him?

MR. CROSBIE: Gone with the wind.

MR. NEARY: Look we are trying to get information. All this stuff is only coming now because -

MR. CROSBIE: But these are Crown Corporations and what ministers are on the corporation does not matter a twiddle dum or a twiddle dee. But I think on that corporation is the Minister of Finance. I am not sure I think I am and the Minister of Fisheries. It does not matter what three ministers are on the boards of all these Crown Corporations. Marystown Mooring Cove, whatever you call it, does not do anything. It just sits there. It is like shaver's soap. It does not sink. It does not float. It just sits there.

MR. CROSBIE:

What happens every year is twice a year Atlantic Fish, it used to be now it will be Fishery Products, will send a check in. It would be Mr. Harry Duxton now it is Mr. Tim McGrath. He takes the check. He puts it down in the bank and he meets certain payments in Mooring Cove. That happens twice a year. Once a year he comes around and he sends it around, he says, "Would you sign the financial statements and whatnots, you are director." You look at it. If it looks all right you sign it and you send it on to the next minister. That is all that Mooring Cove Building Company does.

MR. HEAPY: Will there be a new act brought into the House now this session.

MR. CROSBIE: Not at all, Mr. Speaker, no act, no need of an act, no need of part of an act, no need for a tenth of an act.

MR. MON. MEMBER: I think this is a great act.

MR. CROSBIE: There is no need of any act, no legislation, none required. The Mooring Building Cove Corporation Act does not require any legislation. The House never did approve the lease. The lease was just a document entered into between the government and the company. It never had to be approved by the House.

MR. HEAPY: That act gives the government the right to enter into a lease.

MR. CROSBIE: Right and the government exercised the right and they entered into the lease.

MR. HEAPY: How could you change the company without coming back to the House?

MR. CROSBIE: We are not changing the company.

MR. HEAPY: You did. You have gone now from -

MR. CROSBIE: Read the Act.

MR. HEAPY: - from Newfoundland Fish Processing to Fishery Products.

MR. CROSBIE: The hon. gentleman should start articling, he would make a fine lawyer some day.

MR. HEAPY: I should. I might do better than some lawyers do.

MR. CROSBIE: In Section 11, it says "Or the agreement is so amended

MR. COSBIE:

and the assessor assigns that each of them shall have full power and authority." The act always contemplated that it could be assigned. There is nothing in the act that says that the House had to look at the original lease or that the House had to consent to the original lease being assigned or that the House had to agree to the conditions, nothing. Our lawyer confirms that the Mooring Cove Building Corporation Act does not require legislative approval for the transfer of the lease. The lease is not a part of the statute.

The Act sets out the obligations of government and the original Jannock Company's obligations, and the building of the plant and the original leasing of it. The Teledirect lease is not a legislative item as NIDC can enter into that transaction. The nine trawlers can be transferred under the powers of NIDC. There are no documents which are necessary to be tabled. That is legally, he is talking about, and no acts which need to be amended. That is the position on that.

Now, Mr. Speaker, I hope that I have explained it without causing too much confusion because it is a bit complicated. But anyway to sum up, Mr. Speaker, the point is that the fish plant at Marystown is now under new ownership. It has had no interruption in production. There has been no interruption in employment. The fourteen trawlers are now in control and owned in Newfoundland. They are with Fishery Products. But the government has a certain amount of clout with it as I described in the House on Friday. It is a Newfoundland company and it is in the best interest of Newfoundland and I think the people of Marystown.

MR. NEADY: And now the government is on the hook instead of Jannock.

MR. COSBIE: The government is not on the hook. Mr. Speaker, I have explained that we could have made Jannock pay \$826,000 a year every year for the next sixteen years and Jannock would have paid it

MR. CROSBIE:

and Jannock could have had the plant shut down every one of those years.

MR. NEARY: They could not close it unless they could prove it was -

MR. CROSBIE: Or Jannock could have sold the fourteen trawlers. I mean it is just -

MR. DOODY: They could have put the Marystown people out of work.

MR. CROSBIE: If anything I said is unreasonable or does not make sense, Mr. Speaker, you do not mind but for a fellow over there just to keep on saying you know Jannock this and Jannock would have had to do that and Jannock could not shut it down, it is ludicrous. So, Mr. Speaker, I think that the government have done the best possible deal there.

Now, Mr. Speaker, coming back to the nonconfidence motion - and I am going to wind up because I do not see any point in being repetitious - I say once again, Mr. Speaker, that there is no need of the House to regret the failure of the government to disclose the financial position. That has been disclosed time after time. A special session of the House was called last Fall for the Minister of Finance, the member for Bell Island (Mr. Doody) and whatever else he is a member of -

MR. PECKFORD: Harbour Main.

MR. CROSBIE: Harbour Main-Bell Island to bring down a budget which also disclosed the position of the Province and it has been disclosed every year since 1972. If it was not for the dire needs of this Province in services, in roads, and the dire need of this Province in employment this government would not ask this House to approve our borrowing a cent, if it was not for the fact that if we took that attitude the Province would come to a dead halt. That is why we ask the House to approve and after a lot of cutting. There has been a lot of cutting done to get it down to the \$189 million bucks that is shown there.

MR. CROSBIE:

Mr. Speaker, we have got requests from municipalities now for water and sewer systems and the like, another \$100 million worth most of which should be done but which we are not going to be able to reach on because we cannot go out and guarantee the money for them and the hydro and the rest of it. We are attempting to do big things in this Province to develop the Province and we have not got all that much to work on. We need all the help we can get whether from the Opposition or anyone else.

MR. PECKFORD: No reason.

MR. CROSBIE: There is no reason why we should not be criticized and attacked but I hope on the big issues that are going to have some effect as to whether this Province survives or not that we will have the assistance and help of the Opposition. We hope that we can persuade the federal government to take a different attitude.

So I say, Mr. Speaker, that it would be a mistake to pass this nonconfidence motion. We have exposed and we do expose the financial position. We do not need to be absolved from blame for that. We may be blamed for other things but the sub-amendment does not help because that would be our admitting that we were guilty of what the nonconfidence motion says. So the government, Mr. Speaker, will, I hope, be voting against the sub-amendment and against the amendment.

In closing I thank hon. gentlemen for being patient and listening so long.

SOME HON. MEMBERS: Hear, hear!

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

MR. ROBERTS: Mr. Speaker, I wish to thank hon. gentlemen opposite for their warm welcome to the debate and I may say to them that while they have heard a good speech from the gentleman for St. John's West (Mr. Crosbie) the best is certainly yet to come. I am very glad, Mr. Speaker, that they thump so hard. To be truthful I suspect that they are not thumping for me. Indeed I would be worried if hon. gentlemen

MR. ROBERTS:

opposite were thumping for me but I do feel, Sir, that the mere fact that they have to work so hard to gear up their morale is an indication of really how bad their morale is.

I think the hon. gentleman for St. John's West (Mr. Crosbie), the Minister of Mines and Energy deserved better than that from his colleagues. Mr. Speaker, let me begin by stating our position with respect to the sub-amendment which is actually before the Chair at this time. This sub-amendment if it were carried would add to the amendment proposed by my friend for Burgeo-Bay D'Espoir (Mr. Simmons) in a masterful speech on Thursday last, that would add to his amendment which is a motion of no confidence and is the motion of no confidence would add the words, "But realizing the difficult situation facing the Province and in view of the complexity of the situation absolves the government from all blame."

Now, my friend and colleague from Trinity-Bay de Verde (Mr. Towe) calls it - I am not sure I can pronounce it 'Fred'.

MR. TOWE: Hermaphroditic.

MR. ROBERTS: Hermaphroditic which in its non-generic or non-gender context means it is neither fish nor fowl. I may say that I have great respect and affection for the gentleman for St. John's North (Mr. J. Carter) and because of that respect and that affection I say that only the gentleman for St. John's North (Mr. J. Carter) could have authored this sub-amendment.

As members know I was away from the House for a day or so about important matters of state and accordingly I was not here to hear the hon. gentleman's speech in moving this sub-amendment. I wish I had heard it. Or I wish I was able to read it in Hansard. It is not yet made public of course. But it must have been a masterpiece of tortuous and tortured and torturing logic. But, Sir, I agree as I said at one point when we were on a point of order, I agree with the Minister of Mines and Energy this is a matter of no confidence no matter what the words say and accordingly my colleagues and I will be voting for it. We do not really wish to absolve the

MR. POBERTS:

government of blame but we have no real choice. We certainly do not have confidence in the government's financial policy and we have no intention of voting in any way that can be construed as expressing that confidence.

I hope the gentleman for St. John's North (Mr. J. Carter) will vote in favour of his own amendment. He does not have to. There is no rule that says he has to nor for that matter does the gentleman for Mount Scie (P. Winsor) who seconded the motion. I would be surprised if the gentleman for Mount Scie (Mr. P. Winsor) voted in favour of it. I assume he seconded the motion merely to ensure that his friend and colleague, the gentleman for St. John's North (Mr. J. Carter) had the opportunity to put this matter, have it discussed. I think that is a valid reason to second any motion. I think that if a member wishes to make a motion and if it is in order to do it the very least one of his colleagues could do is second it so that he can have it discussed.

So I would not be surprised if the gentleman for Mount Scie (Mr. P. Winsor) who is, in the parliamentary sense at least, a novice would decide not to vote in favour of this. I am sure that while he may have his doubts from time to time he does possess a confidence in the government. That is why he is sitting where he is.

Mr. Roberts.

The gentleman from St. John's North (Mr. J. Carter) explained at one point today, this afternoon, his reasons - I am not sure I followed them - I thought he said it was a whitewash or an attempt to whitewash the government. And I agree, Sir, that the government need a whitewash, but I am not sure his brethern, if I may use that phrase, in the government benches exactly welcome the hon. gentleman's intervention. They may very well be glad to have him on their side.

MR. LUNDRIGAN: An obvious vote of confidence.

MR. ROBERTS: Well it is a vote of confidence. But the thing is I suspect when the hon. gentleman from St. John's North (Mr. J. Carter) moved it, as he said he moved it not realizing it was a matter of confidence, he was trying to be helpful.

MR. LUNDRIGAN: Half unwittingly.

MR. ROBERTS: Well I am not going to say it was half unwittingly, because I think the gentleman from St. John's North (Mr. J. Carter) - well Heavens knows he and I do not agree on a lot of political points - is a man who is not afraid, and indeed anxious to stand and say exactly what is on his mind. He was one of the two men opposite who stood on the Churchill resolution when the votes came just before Christmas and voted against the government's plan to spend money this year in the absence of any firm agreement with anybody, and, of course, every day that goes by, Mr. Speaker, it is making it more obvious that his vote and the vote of the gentleman from St. John's East (Mr. Marshall) together with votes of most of the people on this side - the gentleman from Port de Grave (Mr. Dawe) I think voted with the government as I recall it. He split with his leader on that. But I think the gentleman from Carbonear (Mr. R. Moores) and the gentleman from Bellevue voted with the Opposition against the government plans for this year.

MR. LUNDRIGAN: Was that not on a specific issue?

MR. ROBERTS: It was on the specific issue of the Churchill Falls and a very specific but a very large issue, and it was an issue large enough for the government to put down a motion and quite properly so, and we had quite a good debate on it. The debate went on for some time and most if not all hon. gentleman spoke. And the gentleman from St. John's North (Mr. J. Carter) and his colleague from St. John's East (Mr. Marshall) both voted in favour of an Opposition amendment and subsequently voted against the government on the matter. Well I think they were right. Whether or not they are right is a matter of opinion but I admire the hon. gentleman's courage because, you know, it is not always the popular thing to do when one continues to sit amongst one's political brethren to differ with them on a major subject. I think on this sub-amendment, Mr. Speaker, while I am not attributing intent or motive to the gentleman from St. John's North (Mr. J. Carter) judging from his words in the House earlier today, he was anxious to help the government, and he has chosen this somewhat unusual way to do so. Well despite the fact that it turns out his effort to help the government is not in fact an effort to help, because if it were to carry it would only have the effect of requiring the government to resign from office, and I do not think that is the sort of help the gentleman from St. John's North (Mr. J. Carter) had in mind. Maybe it is. Maybe it is what the gentleman from St. John's North (Mr. J. Carter) had in mind. Maybe he feels that the only way the Tory party can achieve their destiny is to resign from office, and maybe there will be a coalition. Although I would think the gentleman from St. John's North (Mr. J. Carter) of all - there are twenty-eight men, Your Honour, well twenty-seven absenting Mr. Speaker, there are twenty-seven men who sit to Your Honour's left in this House, and I would have thought that when the coalition comes the twenty-seventh in order of likelihood to enter into the coalition or be asked to enter into the coalition would be the gentleman from St. John's North (Mr. J. Carter). And I think he would agree with me that while it is true that politics may make very strange bed fellows indeed

MR. ROBERTS:

that would be beyond the realm of politics and beyond the realm of nothing.

The gentleman from Green Bay (Mr. Peckford), the gentleman from Bonavista South (Mr. Morgan), the gentleman from St. Mary's - The Capes, these are all possible coalitionists, but not the gentleman from St. John's North (Mr. J. Carter), Sir. There is no way. I bet the gentleman from St. John's North (Mr. J. Carter) has not even been offered a bite of lunch. And I may say, Sir, if he is that hard up for a bite of lunch proclaiming as I do that there is no coalition between the gentleman from St. John's North (Mr. J. Carter) and myself, we have a common respect and regard for Newfoundland, a very great difference as to how we achieve those ends, and I would be happy to have him for a bite of lunch any time. And if he wished we could savoury dressing with it.

Mr. Speaker, we will be voting against the amendment. I am not sure that I understand it or that anybody understands it. But it is a matter of lack of confidence in the government and although we do not want to absolve the government of any blame which is due to them we certainly wish to express our lack of confidence in the government.

Mr. Speaker, there are a number of points on which I would like to touch. In a few remarks on the budget or I should say on this subamendment, because we are debating the subamendment and by definition the amendment, and then in due course when that is defeated we will debate the amendment and by definition the main motion, and in due course if that is defeated then we will debate the main motion itself which is simply the budget motion that Your Honour do now leave the Chair.

I would like to touch on a number of matters, Mr. Speaker, which I think are relevant, some of them relating to points raised by the gentleman from St. John's West (Mr. Crosbie), some of them matters which were raised by other members and one or two perhaps which

Mr. Roberts.

are new to this debate, not necessarily new to the House or to this session. Let me begin by saying that I thought the member for St. John's West (Mr. Crosbie) made one of his better speeches. He has been in a gloom and doom mood all session. He made a speech before the Christmas recess. It was on the motion which I brought in the private members' motion in favour of a select committee to grant an inquest on the Province. He made a speech which really was one of gloom and doom. I think that is the one which some unknown and unnamed person, not me or my colleagues, sent around to the SEC - was it not? - his evidence said that we are about to go bankrupt. And there are those in this House and possibly outside who feel the Province is on the verge of bankruptcy and that what we saw in 1933 and 1934 when the House of Assembly voted itself out of existence will repeat itself or, you know, some variation thereon will occur. I do not think the gentleman from St. John's West (Mr. Crosbie) has gone that far. I do not think he feels that we are bankrupt. My colleagues and I certainly know that this Province is not bankrupt. And while we do not agree necessarily, we do not agree in fact with the way in which the government are running the affairs of this Province, we have every faith in the Province and in the ability of the people of this Province to develop it. And I thought the gentleman from St. John's West (Mr. Crosbie), Sir, was a little less gloomier today, a little less doomier. It may be the onset of Spring, the good weather we have had, although Heavens knows today is no advertisement for the Tourist Bureau. You cannot see the parking lots outside the eighth floor or the ninth floor windows here. But it may be that the onset of Spring has mellowed him somewhat or it may be that coming events cast a shadow. But whatever they are the hon. gentleman, I think, made some awfully good points. Many of them are not new.

I was particularly interested in what he had to say on oil and gas, because all he did essentially was restate and reaffirm the

Mr. Roberts.

position which I believe every member of this House subscribes to. I regret very much that the government - the minister stated their position - has not seen fit to call for debate, and I think it would be carried without a great deal of debate, a motion which stands in the name of my friend, the gentleman from Trinity - Bay de Verde (Mr. Rowe), and that stands on the Order Paper as Motion No. 17. And that motion, I think, is worth reading.

It is not terribly long. The hon. gentleman from Trinity - Bay de Verde to move:

"BE IT RESOLVED that this House reaffirms that

Newfoundland and Labrador owns, and possesses jurisdiction in respect of, the resources of the seabed, including mineral and hydrocarbons, in the area extending to the edge of the Continental Shelf and margin adjacent to Newfoundland and Labrador or to a limit extending two hundred miles from the inner limit of the Canadian Territorial Sea, whichever is the greater;

AND BE IT FURTHER RESOLVED that this House directs the Government to try to achieve recognition by the Government of Canada of Newfoundland and Labrador's ownership and jurisdiction by negotiations in the first instance."

I think that motion if it were to be called, Sir, would receive the unanimous support of every member of this House. I hope it would. I think it is a very fair and a very strong statement of the position which we all believe this Province should take.

MR. LUNDRIGAN: Has that resolution been passed by this Legislature.

MR. ROBERTS: No, to my knowledge that resolution has not, but I say to the gentleman from Grand Falls (Mr. Lundrigan) that I am relying on very quick memory. I am not sure if it has been passed. There was a somewhat similar motion passed last year, a motion which was -

MR. PECKFORD: More on the fishery, was it not?

MR. ROBERTS: Well, it was more on the fishery, more on the 200 mile limit. I agree with the gentleman from Green Bay (Mr. Peckford). It happened that it was moved by me, and when it came on for debate the then Minister of Mines and Energy, Mr. Leo Barry, who was retired from public life at the request of his constituents, at least, temporarily, Mr. Barry and I back and forth across the House almost in the debate amended the resolution and it was carried, I believe, with every voice in favour.

MR. ROWE: It became an all encompassing one.

MR. ROBERTS: It became a very all encompassing one. It was aimed primarily at the question of the 200 mile limit. I think it had references incorporated into it with respect to the oil and gas ownership, the hydro carbon ownership in the seabed but the main thrust of that debate, the main thrust of the resolution was the 200 mile limit question.

Indeed, Mr. Speaker, the hon. gentleman from Grand Falls (Mr. Lundrigan) has, I think, helped me to make a point which I think is a very valuable one. The best debates this House has had in the last year or so by and large have been on private members' motions, far better debates. I have been reviewing the debate on the motion which stands in my name. I think there have been about twenty-five or thirty speeches now and there may be more. You know any member, of course, may speak on it. They have been by far in a way I think the best speeches of this session of the House, even though a private member's motion by definition cannot deal with expenditure programmes and because of our particular procedure in this House, which I think is a bad one, not nearly as good as the House of Commons in Ottawa whereby you get many subjects brought up and it can be discussed for what, an hour, an hour and a half and then they are cut off.

MR. LUNDRIGAN: One day.

MR. ROBERTS: One day, yes when the House rises at six the debate ends whereas here we only have one subject for many days therefore they have many subjects for one day each or sometimes more than one in a day. I think that is a better procedure. But the fact remains that we have had by far, in a way, the best debates I think of this session and of this House in recent years have been on private members' motions.

But in any event, Mr. Speaker, the point I make is that oil and gas is a matter on which all of the people of this Province

MR. ROBERTS: Feel strongly and on which all of us feel, our feelings are exactly the same, there is no diversity of opinion. The Americans used to talk in the period after the Second World War of a by-partisan foreign policy and by and large they had a by-partisan foreign policy, although it seems to have evaporated now. Well I think on this matter of oil and gas we have what amounts to a by-partisan minerals policy and every Newfoundlander and every Labradorian agrees right to the very depths of his being that the position taken by this Province must be the one that was stated in the resolution which my friend put down in November or which the gentleman from St. John's West (Mr. Crosbie) stated today in a speech.

I wish the government would call the motion. We might agree to do it even without debate, if that were the wish of all members, and then send it off to Ottawa. I think it is very useful to have the recording of the feeling of the House of Assembly because the government are the government and they are the government because they have the confidence of the House. But the government are only in this House twenty-eight out of forty-eight members, twenty seven again if we absent Mr. Speaker, who although he was elected as a candidate for a party becomes non-partisan when he assumes the Chair. So the government are twenty-seven out of forty-eight. That is sixty per cent in round numbers. It is about two-thirds or a little less than two-thirds of the membership of the House. I think it is useful to know, Sir, that all parties agree and that I think this resolution will be a good thing to call it and debate it and discuss it, or put it through without debate if that is the wish and I think it would strengthen the government's hand.

MR. JINDRIGAN: Could I ask the hon. Leader of the Opposition a question?

MR. ROBERTS: Yes.

MR. LUNDRIGAN: Just clearing up my own mind, I remember vaguely a year ago or so the hon. Leader of the Opposition raised a question with the Prime Minister of the day, still the Prime Minister of this day, regarding this issue, am I correct in that, that he wrote the Prime Minister one time in his capacity and received some kind of a response? The question is, has he subsequently or in recent months written the Prime Minister of the country on this particular issue and if so could he share with the House any response he has received?

MR. ROBERTS: Mr. Speaker, I have not written the Prime Minister recently because my views have not changed and I may tell the hon. gentleman the Prime Minister, as far as I know and I think I know, is fully aware of the views which our party, the Liberal Party, takes in this, just as we have not changed our position on a number of matters. Take the school tax. We have not recently made a statement saying we are against the school tax and we have not written the Prime Minister recently, nor have we written anybody else. But we have put a motion on the Order Paper in this House.

MR. LUNDRIGAN: Did you write him one time?

MR. ROBERTS: I think I sent him a telegram. Yes. I would have to check my files but I can assure the gentleman from Grand Falls (Mr. Lundrigan) the Prime Minister and his colleagues are very much aware of the position which we have taken here and it happens to be a position that they do not agree with. Well that is their problem.

MR. LUNDRIGAN: Precisely my point though, I think Ottawa are quite aware that there is by-partisan or multi-partisan.

MR. ROBERTS: Ottawa may very well be aware of that. They have reason to be. But they are not aware of the collective feeling of the House of Assembly and in view of the way this session has gone and in view of the business on which we have spent time I can think of a number of things and one of them is this

MR. ROBERTS: resolution number seventeen, this motion number seventeen which is infinitely more in the public interest of this Province that the business of this House should be directed to.

I have not been particularly happy with the way the House is going. It is not a matter of pride or lack of pride. I am proud to be an M.H.A. and I put it to the test to come in here, as did every honourable gentleman. Nobody had a free ride in the House this time. Indeed it is interesting, Mr. Speaker, if you look through the figures to see how many members are here with less than a majority of the vote in their constituents. The gentleman from St. Mary's - The Capes (Mr. W. Carter) had a majority, a clear majority of the vote in his district. The gentleman from Placentia (Mr. Wm. Patterson) did not. The gentleman from Twillingate (Mr. Smallwood) had forty per cent. The gentleman from Grand Bank (Mr. Hickman) had forty per cent. You know a number of honourable gentlemen came into the House after a strong fight, a great diversity of opinion among the electorate in this Province.

The government party who are the government got forty-four per cent of the vote. Was it forty-four?

MR. LINDRIGAN: Another Grand Falls.

MR. ROBERTS: Well the hon. gentleman can remember Grand Falls and I am like the Brooklyn Dodgers, wait until next time. But it does not matter. The government are the government and I do not quarrel with that. But, Mr. Speaker, the point I am making is that I think the House has wasted a lot of time and I think we could reform our procedures and now that I have dealt with this oil and gas thing briefly but it is all - I mean I do not need to go on to repeat what has been said. I think we should look very seriously at reforming our procedures.

I had a little table drawn up, it is not secret information, to show the breakdown on the time on the estimates, the seventy-five

MR. ROBERTS: Hours. Now I am sorry I was not here Friday when the gentleman from St. John's East (Mr. Marshall) was up to his didoes because he was wearing I understand, the seamless garment with which he often cloaks himself and it would have been useful to have pointed out to the gentleman for St. John's East (Mr. Marshall) to remind him that he was the man who sponsored the seventy-five hour rule. He did it over the objections of the Liberal members on that committee. He pretends that the committee report was unanimous, it was not. There were two separate resolutions put in before the House, one as I recall it had the support of every member of the House and one was quite strongly opposed by the members sitting on this side and was supported by the government side and they literally brought in the sick and the men who had not been here, I think the gentleman from Number East (Dr. Farrell) came in to vote that day and I do not think he had been able to attend, not blaming him, but he had not been here for some weeks or months before. But every hon. member was present and they skirted through. I mean they got the two-thirds that the House of Assembly Act required to amend the Standing Orders, so they were amended. But let it be recorded that the seventy-five hours had been opposed quite steadfastly by my colleagues and by me in every way we can. We thought it was wrong then and we think it is wrong now.

MR. LUNDRIGAN: What was the position of the hon. Leader of the Opposition?

MR. ROBERTS: The position is to do what has been done in this House for 150 years, unlimited time, subject only to the rules of the House. If the government feel that the House is being dilatory they have appropriate measures available to them in the rules. I do not like them but they are there. And they could be used.

MR. LUNDRIGAN: Do you think it is reasonable, excuse me Your Honour, the recommendation made where the general rules could be amended so that participation would be more effective by virtue of time limits

MR. LUNDRIGAN: on speeches and matters of this nature?

MR. ROBERTS: I am not sure I understood the hon. gentleman's question.

MR. LUNDRIGAN: The reason I raise the question we had - the other place that I had some association with had limited time to deal with estimates. But what the rules were, some of the rules were imposed by our own committees. It gave us the ability to have less speeches, less sort of - well I saw one day here where there were five speeches made by one honourable member on the same issue and the same speech five times. That could never have happened under the other rules.

MR. ROBERTS: Well the answer to the hon. gentleman's question, I was a member of the select committee which sat for more than a year on that. The gentleman from St. John's Past (Mr. Marshall) chaired it, he was then the Government House Leader. We had not run afoul of Mr. Dobbin and whether he left the Cabinet because of Mr. Dobbin or whether he left the Cabinet at the Premier's request is history and only history will answer it. But there was no discussion given to that point at all. And indeed it is a pity there was not because I think it is a very relevant suggestion and indeed it is the one, or essentially the type of one that I shall make in the next few minutes.

But the point I wish to make before I come to that, Mr. Speaker, is just to look at what happened in the estimates. Now first of all I do not need to say at any length that the control over the power of the purse is the basic parliamentary control.

MR. ROBERTS: We all agree on that and it is mother's knee law. You do not need to be a parliamentarian or a constitutional historian to understand the importance of that principle. We do not need speeches about how men have lost their heads and all that sort of thing. We all read that back in about grade six I think it was in whatever the history books they were using in those days.

What we do have to do is to devise a procedure whereby the House can give some meaningful consideration to the estimates and I do not think our present procedure does that.

MR. LUNDRIGAN: Tell us about that procedure.

MR. ROBERTS: Well the hon. gentleman from Twillingate (Mr. Smallwood) used to tell us in Cabinet and I am not breaching Cabinet secrecy at all that you could only have one conversation at a time. Many times has he said that to me when I whispered something to the gentleman who sat next to me, Mr. Jerry Hill, a very estimable man indeed.

MR. ROUSSEAU: I thought you said something about coalition.

MR. ROBERTS: No, the hon. minister has it wrong. As I understand the coalition the minister is to head it and therefore the Minister of Forestry and Agriculture should be discussing portfolios with the gentlemen from Twillingate (Mr. Smallwood).

MR. ROUSSEAU: That is my right hand man.

MR. ROBERTS: The minister has it down. The gentleman from Twillingate (Mr. Smallwood) is to be the minister's right hand man. And truly, Sir, will the right hand knoweth not what the left hand is doing.

But, Mr. Speaker, quite seriously, if the hon. gentleman wishes to have a talk, that, Sir, is entirely their matter but as the Minister says it is difficult to listen to both conversations, and I know what I am saying the minister wants to hear and I know that

MR. ROBERTS: what the gentleman from Twillingate (Mr. Smallwood) is saying the minister wants to hear as well.

Well, Mr. Speaker, let me talk about estimates for a moment **because** there has been a lot of comment in the press, I believe ill informed, but in any event comment which somehow thinks that the estimates procedure should be a matter of questions and answers, almost like a cross examination. Now the minister should come in here and he should stand and present himself and he should be examined or cross examined as he would be if it were a court of law and he were being put on the witness stand to testify in the matter that was before the court.

Well, Sir, that is a valid part of the estimates procedure but it is not the only part. The estimates procedure, Sir, is a matter whereby members can raise matters of concern and we debate a department or a head at a time and members or ministers can raise matters of concern whether they are questions and answers or not.

I read a particularly ill-informed comment in Saturday's Telegram, Mr. Mick Collins, an old adversary of mine, he has taken a number of strips off me and most members of the House and more power to him, I read him with great interest, in which he said ministers had to answer questions. Well that is nonsense. A minister does not have to answer a question in estimates if he does not want to. And many ministers, some of their predecessors perhaps but certainly in the present administration are immensely skilled in not answering questions. They can talk for fifteen, twenty, twenty-five, forty-five minutes and not even come close to answering the question.

But the estimates, Sir, are a procedure whereby the whole of the operations of the government of the Province can be laid out and can be discussed and hon. ladies, the members of the House can discuss what matters concern them. And I think that is very valuable. I think it would be a shame and a scandal if that could

MR. ROBERTS: not be done.

The present procedure, Sir, does not allow that. The present procedure is a farce, an absolute farce. I have not totalled up the amounts of the departments that went through last Tuesday evening without debate. I understand the House -
MR. NEARY: \$500 million.

MR. ROBERTS: \$500 million my friend from LaPoile (Mr. Neary) tells me. About half the expenditure of the Government of this Province unexamined by anybody except the mandarins on the Treasury Board and the ministers in the government. And the ministers have not been made to answer to anybody for it. They have not been tested, they have not been allowed to say what they wish. And then I understand that so important was public, so short was time for the consideration of public business that the House had to adjourn on Tuesday night to let members go to watch the hockey game. So we had to put \$500 million through without debate and instead we got to watch the hockey game. Well it may be Canada's national sport but this, Sir, is Newfoundland's national parliament and I think the government, Sir, if ever there was any doubt of the hypocritical position in which they found themselves on this whole debate it came on Tuesday night when they, they must have pushed the - I suppose the Clerk sat there and just read them off, Head so and so, Head so and so, Head so and so, right down the line.

MR. ROWE: Carried. Carried.

MR. ROBERTS: Carried. Carried. Carried.

MR. NEARY: No. I voted against every one.

MR. ROBERTS: Well the hon. member for LaPoile (Mr. Neary) voted against them. So he should have. But carried, carried, carried, according to the Standing Orders, without debate, without discussion and then the House having done that act, the government, Sir, adjourned it so members could watch the hockey game. Well that is an indication of priorities.

MR. ROBERTS: But, Sir, what is done is done. For two years in a row now the Tourism Department has escaped and I wonder if it is any coincidence, the government have the right to call departments in order, I mean that is their right. They have the right to call the business in order and we tested it one day and a ruling was made and that is the ruling and I do not find it particularly bad. I think it happens to be a right ruling as well as the ruling which we accept anyway.

But it is no coincidence, Sir, that the Tourism Department has not been called. The Public Works Department has not been called. The Industrial Relations Department has not been called. Transportation and Communications has not been called. Municipal Affairs was not called. Department after department, Sir, and I know that some departments are more important than others, of course they are.

MR. PECKFORD: You are not saying now that all those departments were not called for two years in a row are you?

MR. ROBERTS: No. No. I am not. No. No. No. The Minister of Municipal Affairs I think had a chat with us last year in the Committee.

CAPTAIN WINSOR: He was ready to go this time.

MR. ROBERTS: He was ready to go this time. The gentleman from Twillingate (Mr. Smallwood) made it clear in a glowing eonium today, made it quite clear the minister knows his stuff and he does.

MR. LUNDRIGAN: Glowing eonium.

MR. ROBERTS: Eonium, e-c-o-n-i-u-m. It is under "e" and that come after "d" in the dictionary, immediately before "f", and "c" comes after "b" and then we could go on from there.

Mr. Speaker, the fact remains that the government deliberately chose the order in which the departments were called to avoid any debate on what they knew were the controversial departments. Now

MR. ROBERTS: It could be said, it could be said that the Opposition could not get it through and if some department was called that we thought not as important in the sense of debating it and that we were in a hurry to get on with the debate of some other department we should have just let a department slide through.

Well, Mr. Speaker, the only weakness in that is twofold. First of all the Opposition do not control the debate. The members of the House and the members of the Committee control the debate. And secondly every department needs some examination and I do not think, Mr. Speaker, that to spend twelve hours and forty minutes debating the expenditure of the Department of Mines and Energy is a particularly sinful thing to do, given the subjects which fall within the ministerial responsibility of that minister, the Churchill project, the cost of oil and gas, the oil and gas offshore. I do not think it is particularly sinful, Sir, to have spent twelve hours on the Rural Development Department which could very well be one of the most important departments in its effect upon this Province. Social Services -

MR. LUNDRIGAN: How many hours did you spend on the first one?

MR. ROBERTS: Twelve hours and forty minutes on Mines and Energy.

MR. LUNDRIGAN: Only twelve on Rural Development.

MR. ROBERTS: Twelve on Rural Development, only twelve. It should be worth 120. It should be worth 120.

Social Services - I may add of the twelve hours the minister himself used more than one third.

MR. LUNDRIGAN: I did not.

MR. ROBERTS: On Rural Development, he used more than one third. On Social Services four hours and twenty minutes. Hardly an excessive amount of time to spend on an expenditure that totalled in the gross \$52 million. Education fourteen hours. I would defy anybody to say that fourteen hours spent by this House debating Education

MR. ROBERTS: is too much. Health fourteen hours fifty-five minutes, call it fifteen hours. Fisheries a little under five hours when the clock ran out and the game was over. And it should have been forty-four hours and fifty minutes.

MR. LINDRIGAN: How many hours did you spend on the resolution that day?

MR. ROBERTS: We spent roughly two and a half hours a day. Two and a half hours a Wednesday. I do not know how many Wednesdays it has been. It has been whatever the rules of the House provide. I have made one speech on it less than ninety minutes. **Just as** I am entitled to speak for ninety minutes now, I was entitled to speak for ninety minutes there.

But, Mr. Speaker, the fact remains in my view and I believe my view is sound that the estimates if anything were put through too quickly. There was no delay. Some members of the House may feel that certain members made their points at **greater length that, Sir, is a matter for judgement.** I believe every member has the right, subject to the rules, to make his point as he wishes. We all have our different approaches and our different styles. Be they right or wrong it is not a matter, Sir, for any member to judge except on his own. It is a matter for our constituents to judge when the elections come.

MR. ROBERTS:

I believe, Sir, that the fault lies not with the way in which the estimates were debated but with the rule itself and then with the whole procedure. The government will not change the rule. They are adamant. They burn down in the fat. It has become a matter of pride, of saving face with them now. The gentleman for St. John's East (Mr. Marshall) who had a certain distinction as House Leader, not always a favourable distinction, but he got spitey and proud and said we are going to put it through and they did put it through. The first time ever in history there has been a gag placed on the House of Assembly. The government are not going to change that. We will change the government and then we will change it. So let us then look at the procedure itself.

MR. LUNDRIGAN: Will the hon. Leader give us more detail on that, how it is going to change?

MR. ROBERTS: Yes, we are going to wipe out the seventy-five hours and there are two ways to do it. One is just to remove it and leave it as it has been all along but the House has the right and the government have certain procedural weapons if they wish to use them. Closure is an old weapon. I do not like it but it is there. The hon. gentleman was in the only - the only time I can remember closure being used in this House the hon. gentleman was in the cabinet that moved it.

MR. HICKMAN: No, not me.

MR. ROBERTS: Yes, Sir. Mr. Speaker, the hon. member for Grand Bank (Mr. Hickman) whose memory is so conveniently lapsing can remember the debate that took place on Interim Supply in 1969. As I recall it was 1969.

MR. HICKMAN: 1970.

MR. ROBERTS: Well the hon. gentleman has been sitting on all sides of the House and may well be before he is done again.

MR. HICKMAN: 1970.

MR. ROBERTS: 1970 he says. I have not got the record here and I have not checked it.

MR. HICKMAN: In February, 1970.

MR. ROBERTS: Went over here in February, 1970?

MR. ROWE: No.

MR. ROBERTS: Went over there in February, 1970?

MR. ROWE: No, I am sorry over here.

MR. ROBERTS: Over here in February, 1970. Well in any event -

MR. HICKMAN: They all walked out.

MR. ROBERTS: No, no, no. That was another time they all walked out.

Mr. Speaker, where the hon. gentleman was is of little consequence to the House or to the Province, Sir. I say that I do not like closure but that closure is a perfectly valid parliamentary weapon if the government wishes to use it. They have that right. The minister participated in the charade as a minister of making the House sit all night, 27 hours, a charade. When that did not work, when they could not wear down the Opposition that way they then had to bring in this gag rule.

Mr. Speaker, let us look at how the time was used in this seventy-five hours. That is all that was allowed for the debate, all that was allowed for the discussion of the whole spending programme of the government. Of the seventy-five hours, Sir, a little under seventy hours was spent on debate. Five hours and twenty-two minutes, about one hour out of every fifteen were spent on points of order or wrangles of one side of another that did not count. It counted for the purposes of the time but did not count as debate of the subject under discussion. So we managed to spend sixty-nine and a half hours on debate.

Now how was that used, Sir? Well there are four groupings in the House. For this purpose, and I think validly so, I count the gentleman for LaPoile (Mr. Neary) as being a grouping or a group all by himself. He may sit alone but in this matter, Sir, certainly stands up there with anybody. He, Sir, used fourteen hours and three minutes of the sixty-nine hours, about twenty per cent of it. I will give the hon. gentleman a copy of it. He does not need to write them down. He is welcome to a copy of it. He spend about twenty per cent of it. A large part of that came on Interim Supply.

MR. NEARY: Does that include Interim Supply?

MR. ROBERTS: Oh, yes it does, yes indeed, yes. I will give the hon. gentleman his track record. Four hours, twenty-three minutes on Interim Supply, two hours and ten minutes on Mines and Energy, forty minutes on Rural Development, one hour on Social Services, two hours, thirty-five minutes on Education, two hours and thirty minutes on Health and forty-five minutes on Fisheries. There is one speech only on Fisheries. The hon. gentleman may well have had another one to make but did not have the chance to. But in any event he spent roughly twenty per cent of the time, fourteen hours and three minutes standing in the name of the gentleman for LaPoile (Mr. Neary).

The third party down here, the Liberal Reformers, spent ten hours and five minutes in total on the seventy hours, about a seventh, about fourteen per cent.

MR. NEARY: Shameful!

MR. ROBERTS: Well I feel what they do is shameful but that is their choice. They were within the rules or they would not have been allowed to do it. But they spent ten hours and five minutes.

MR. LUNDRIGAN: What about the member for Twillingate (Mr. Smallwood)?

MR. ROBERTS: I do not have a breakdown of how much but I would bet of that ten hours and five minutes ninety per cent was the gentleman for Twillingate (Mr. Smallwood). I think that is a fair estimate of it.

MR. DOODY: Most part interjection.

MR. ROBERTS: Oh I am not counting the hon. gentleman's interjections or his questions. If the hon. gentlemen opposite choose to play the game with the member for Twillingate (Mr. Smallwood) on questions that is their choice.

MR. NEARY: The Premier made a public statement that I used thirty hours.

MR. ROBERTS: Well I mean the Premier must have had a bad day as he often does. In any event whatever the Premier said the record shows

MR. ROBERTS:

that it was fourteen hours and three minutes.

The government spent twenty-five hours, fifty minutes, about a third or actually twenty-six out of seventy.

MR. LUNDRIGAN: Disclosing information?

MR. ROBERTS: Well if they disclosed any it was inadvertent. It was entirely inadvertent. On Rural Development the government spent four hours and twenty minutes of which about four hours and eighteen minutes was the minister and of those four hours and eighteen minutes at least eighteen were given over to information. Four hours were given over to the minister's theorizing, dreaming, explaining, getting excited, defending, getting unexcited, whatever the minister does. It is quite a spectacle in itself.

The Liberal Party, the Opposition, used nineteen hours and forty minutes. If you want to round it off to the nearest hour, twenty hours, a little less than the government, twice what the Liberal Reformers used and half as much again as the gentleman from LaPoile (Mr. Neary) singlehandedly used. The gentleman for LaPoile (Mr. Neary's) real moment of glory came, as he would agree, on the Interim Supply where he occupied about four and a half hours, a little more than the government.

MR. LUNDRIGAN: You say there is twenty-four hours by the five members and twenty hours by the fifteen members.

MR. ROBERTS: That is roughly it, sure.

MR. LUNDRIGAN: That is the major complaint.

MR. ROBERTS: If the hon. gentleman thinks that quantity counts as opposed to quality and indeed he probably does because his whole career has been based on the quantity of outpourings as opposed to the quality of outpourings. He could easily point out that the per member consumption by gentlemen to my right, the third party and the gentleman for LaPoile (Mr. Neary) was considerably greater than the per member time consumption by the lady and the gentlemen who sit with me here.

MR. LUNDFIGAN: What is the purpose of your unveiling all those figures?

MR. NEARY: The Liberal Party must be checking.

MR. ROBERTS: I do not have a breakdown here by member but the hon. gentleman could probably get it from the same source I did, from Hansard or from the Hansard office. I think they keep a running count.

MR. NEARY: They do not keep time and time counts.

MR. ROBERTS: I think they do keep time -

MR. NEARY: I am willing to bet that they do not.

MR. ROBERTS: - because they have to for the purpose of the tapes.

MR. LUNDFIGAN: The quantity of time is not relevant.

MR. ROBERTS: I agree completely. Now if I wanted to talk about quality I would say, Sir, that the fifty hours given over to gentlemen who sit to Your Honour's right were at least thirty times more productive than the twenty-five hours given over to gentlemen who sit to the Speaker's left. But that is a matter of opinion.

SOME HON. MEMBERS: Hear, hear!

MR. LUNDFIGAN: You cannot have it both ways. Seventy-five hours is not enough.

MR. ROBERTS: I agree seventy-five hours is not enough, Sir, and particularly -

MR. LUNDFIGAN: They probably had too much time.

MR. ROBERTS: - particularly when twenty-five hours of them are taken up by ministers who do not give information and who do not debate. That is my opinion and I believe the facts support it. The hon. gentleman may differ. That is his right. Let him differ.

MR. LUNDFIGAN: He has taken a half hour now telling us how much time we waste.

MR. ROBERTS: Mr. Speaker, the hon. gentleman opposite, Sir -

MR. CROSSIE: Do not provoke the hon. gentleman.

MR. ROBERTS: No I am not to be provoked by the - I mean when you are after elephants you do not bother with rabbit tracks.

The hon. gentleman opposite, Sir, has a record that is unblemished and, Sir, I leave it at that. All I wanted to say is to

MR. ROBERTS:

give these figures and I have given them and I think they speak for themselves. They are easily available. If any hon. gentleman wishes to check them I believe they are accurate. But in any event for what they are worth and I think they are worth a great deal, there they stand.

Now, Mr. Speaker, if the government are going to insist -and I accept the fact that they are - if they are going to insist on this rule of seventy-five hours, if they feel that the estimates no matter how many hundreds of millions of dollars there are can be put through at seventy-five hours, then I suggest now and I appeal to them to change the rules of the House. If they will not change the time then let them change the procedure by which we consider estimates. My suggestion, Sir, is not a new one. I communicated it to the government House Leader about three weeks ago in a letter and it had been advanced even before that by my colleague, our house leader in discussions. I am not breaching any confidences. I have written a letter to the government House Leader. It is dated April 27 in which I advanced some suggestions which I believe would help to improve the procedure by which we consider estimates in this House.

I began by saying that I objected to the seventy-five hour rule but I accept that. The fact that I do not like it is quite irrelevant. If the government insists upon it, the government stay, the rule limit will stay.

Mr. Roberts.

My suggestion quite briefly, Sir, is that we look at the House of Commons procedure whereby, as I understand it, almost all their estimates are considered - in fact I believe all - are considered in committee. And accordingly I suggest, Sir, that the House be divided into a number of committees. I suggested four because there are forty-eight members at present, the government not having courage enough to let the people choose the other three. There are forty-eight members at present and four into forty-eight, if mathematics has not failed me, comes out as twelve members a committee. So we would have four committees each of them with twelve members. Alternately we could have three of sixteen. The government would be represented on those in proportion to their numbers in the House and so would each party. And the estimates would be referred to one of the committees. Each of the estimates would be referred. If there are four committees and there are twenty heads of expenditure as there are, five heads of expenditure would be referred to each committee, and the committee would be organized. It would meet publicly. It would be subject to the rules of the House. The reports would be done, and it would proceed in the normal way.

MR. NEARY: Have you had a reply to your letter?

MR. LUNDRIGAN: Would the House be sitting at the same time?

MR. ROBERTS: No, no. Let me deal with it now. But the House would obviously stand adjourned. Instead of meeting afternoons and evenings in the Committee of the Whole we would split and we would meet afternoons and evenings in, you know, committees on supply or whatever we choose to call these four standing committees of the House. And the minister whose estimates were before the committee would have the right, of course, to bring his officials, and his officials would have the right to be questioned, which is something we do not have in the House. The gentleman from Twillingate (Mr. Smallwood) got somewhat confused in what officials did in the House.

Mr. Roberts.

But one thing is clear they have never been allowed to speak in the House, never. They have always sat by the minister, if the minister wished them to. The committee have always given leave for a minister to have his officials sitting in. You know, you would say to your seat mate, "Look would you slip out please for a few minutes and, you know, let the deputy sit there please," and it is done. But they would have the right to speak in committee. If a member said now, you know, deputy minister what is the answer here, the man would have a right to speak. The minister is responsible. The deputy minister obviously speaks for his minister, and there is no problem. There has been no problem that I know of in Ottawa, and it has worked there - for what? - the present rules are four or five years old now.

MR. LUNDRIGAN: Six or seven.

MR. ROBERTS: Six or seven. Well the point is that they have been tested well enough now to see that they are an improvement. They do work. They may not be perfect. So we have our committees, and the estimates are brought into the committee, and the discussion begins. It could be as formal as the House with members standing, or it could be informal as the committee wished. The chairman in each case would be appointed by the government. The speeches would be limited.

MR. NEARY: Elected by the committee.

MR. ROBERTS: Well perhaps elected by the committee but the government would have a majority. And I will come to what I believe is a very important point on that which may not be the same as the Ottawa practice. But the speeches would be limited. I have suggested say twenty minutes, but that may be too long. I do not think five minutes is enough.

MR. LUNDRIGAN: How long?

MR. ROBERTS: The gentleman from St. John's East (Mr. Marshall) was given ten minutes by the Supreme Court today. Are you aware

Mr. Roberts.

of how the Supreme Court dealt with his argument on Bnavista North. They heard him. After they had heard him they said to the counsel who was there for the respondent, Paul Thoms, his counsel and Mr. F. Bruce Winsor, an eminent young lawyer, they said, "Mr. Winsor we do not need to hear from you. We will dismiss this application not even hearing from you." That is how weak the case was.

MR. HICKMAN: In all fairness they said, "Unless they intend to allow."

MR. ROBERTS: Of course, right. The minister just says, "unless they intend to allow." That is true. The appellant presented his case.

MR. HICKMAN: Unless they intend to hear the appeal under their new procedures they do not call upon the respondent.

MR. ROBERTS: That is right.

The gentleman from St. John's East (Mr. Marshall) appearing in his professional capacity appeared to make an argument.

MR. HICKMAN: That is right.

MR. ROBERTS: The request that he made at the end of his argument was with my lords.

MR. HICKMAN: Right.

MR. ROBERTS: It was heard by the Chief Justice and my Mr. Justice Spence and Mr. Justice Richey, three of the senior judges of the Supreme Court of Canada. I believe the three senior unless I am mistaken. I do not have all their seniorities in mind. It was three of the senior men.

MR. HICKMAN: Yes, right.

MR. ROBERTS: And the member for St. John's East (Mr. Marshall) speaking as counsel for the appellant, Mr. George Cross, made his appeal, and his appeal was that my lords that you hear an appeal on this, that you set it down, and we will have a full argument. And his request

Mr. Roberts.

for an appeal was dismissed out of hand without even - the judges said in effect, but I do not know what words they used, I have spoken with Mr. Winsor, but I do not have a verbatim transcript - they said, "We do not need to hear any argument from the response counsel. We are just not going to allow this appeal. We are not going to allow an appeal to be heard. There is nothing to appeal from." He blew it in a phrase.

MR. HICKMAN: No, no. The hon. Leader of the Opposition is trying, I suggest, unwittingly to convey the impression that this is an unusual occurrence.

MR. ROBERTS: No, it is quite usual. The plaintiff makes his case - now, you know, we can go on to appellants and respondents - but the plaintiff makes his case before the court and the court says, "We do not need to hear from the defendant. The plaintiff's case is so weak we will just dismiss it out of hand." And that is what they did. That is all I am saying.

MR. HICKMAN: No, no, It has nothing to do -

MR. ROBERTS: I was saying that even at that, and this is the point I am making, the member for St. John's East (Mr. Marshall) was given ten minutes. He had ten minutes before the court today.

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

I think the House is now being given an expedition of an aside to the issue under debate, and whereas I am sure this is most interesting the time of the hon. member should not be unduly consumed in this.

The hon. Leader of the Opposition.

MR. NEARY: Do not try him over.

MR. ROBERTS: Mr. Speaker, I am not trying anybody over and I thank Your Honour for the ruling. I was merely giving an example, and I am glad that since I went a little too far Your Honour called me to order.

Mr. Roberts.

The point I was making is that five minutes is too little. I think ten minutes, fifteen is a reasonable time. There may or may not be an argument in favour of limiting the number of times a member can speak, and I am not suggesting the Ottawa procedure whereby a member is given ten minutes to question a witness. I am not sure that that works. The experience I have, and I have spoken to people on both sides of the House is that this by and large is not a useful proceeding, because you cannot develop a line of questioning. But the fact remains committees with short speeches, officials to be present, and all estimates to be considered in committee. And I think there should be some time limits placed on the committees. The time limits to be placed on the committees I would suggest might be, say, twenty-five hours for a department. The committee does not have to spend that.

MR. LUNDRIGAN: Twenty-five hours for a department.

MR. ROBERTS: Oh, sure. The committee would not have to spend that. The committee might well choose to spend less. But I think we could certainly put time limits on it. And this is the new point -

MR. SIMMONS: That is times about five departments you are talking about not twenty.

MR. ROBERTS: Oh no, twenty minutes for the committee.

MR. HICKMAN: Fifteen.

MR. ROBERTS: No, no!

MR. SIMMONS: It is times about five departments not twenty.

MR. ROBERTS: It is times five departments, yes. There would be 125 hours which could be spent in committee. That does not seem excessive.

MR. HICKMAN: One hundred and twenty-five hours in committee.

MR. ROBERTS: Sure, why not? We spend seven hours a day at it. That is less than eighteen or nineteen days.

MR. HICKMAN: That would be a terrible reflection on this House. I remember hearing Don Jamieson -

MR. ROBERTS: I remember hearing the hon. gentleman say the most amazing things.

MR. ROWE: Independent commission for redistribution.

MR. ROBERTS: The suggestion I made to the hon. gentleman, the House Leader was ten to twelve hours per department, but there would be a limit placed on it. It would not be a forever thing. In any event the majority would always have the right of course to end considerations, but there would be a limit placed.

MR. LUNDRIGAN: Has the member considered the maturity of the political system here.

MR. ROBERTS: The only doubt I have about the maturity of the political system here, Sir, to be honest is the way I see hon. gentlemen opposite behave from time to time.

Now, Mr. Speaker, if I may carry on outlining what I believe to be a very worth-while suggestion, which I put forward quite seriously, because I think it may be a way out of this morass.

MR. LUNDRIGAN: We do not think we can trust you.

MR. ROBERTS: Mr. Speaker, I am really not worried about the hon. gentleman trusting me or not. I will put forth an argument. I would suggest to him that he consider it on its merits. If he approves of them, fine. If he does not then that is his problem. I put forth the suggestion, Sir, and I put it forth to the House Leader some three or four weeks ago so I am not springing anything, and nothing has been done. We still have not set up a standing committee. We still have not even set up the Public Accounts Committee. The government are hiding things. They are scared. They are trying to bury things. Mr. Speaker, the suggestion I make is that there be time limits placed on the debate in committee, and we can have discussions as to what those lengths should be. I am going to suggest further, Sir, and this is a new wrinkle, but I think it is proper, that the estimates not be voted upon in committee, that only the Committee

Mr. Roberts.

of the Whole in the House vote upon the estimates. The reason for that, Sir, of course, is that if the government were to lose a vote in committee that could conceivably be a matter of confidence. That would cause all sorts of complications. I have always believed, Sir, that if the House is going to defeat the government it is not a matter of accident. They should be prepared to do so explicitly and, you know, consciously on a direct motion. In other words I like the Pearson precedent in 1968 when the government of the day were defeated in a vote -

MR. DOODY: Mr. Pearson was down South somewhere,

MR. ROBERTS: Yes, Mr. Pearson happened at the time to be in Jamaica somewhere. Mr. Diefenbaker made that immortal statement - it is in Hansard - "A long road has no ash cans." He was beside himself with joy and vigor.

MR. DOODY: Perhaps he was looking at Mitchell Sharp .

MR. ROBERTS: Could be, could be.

And Herman Batten was in the Chair and looking as if he wanted to be South. In any event the government then, Mr. Pearson as Prime Minister, brought in a matter of a motion of confidence, and it was debated, and of course the House voted to sustain the government, and the matters went on, And a little after that we had an election and Mr. Trudeau had become leader and Prime Minister and that disposed of the matter for the time being.

MR. ROBERTS:

Mr. Speaker, the fact remains I am suggesting that in Committee they not be called matters of confidence, that the Committee discuss and debate, the matters be reported back here to the House and I would think that the Opposition should be given the right to have five Opposition days, in the present House divided up maybe four and one.

MR. HICKMAN: If you want to reserve the right, does this, I presume -

MR. ROBERTS: I do not know what right the member was reserving. I suppose he has ten minutes and if he does not use it all, he does not want to force it, he can come later in the -

MR. HICKMAN: I had the impression that there is also a procedure whereby you can reserve the right to debate it -

MR. ROBERTS: Well maybe so. I mean I have not prepared another addition of Beauchesne or anything. I mean I am just outlining a suggestion. There may well be wrinkles such as this which would be very useful. The point I am making is I suggest the Opposition be given five days on which they can put down the question for debate. At the end of the day the debate comes to an end and the vote is taken. If the House sustains the government as they normally would then that disposes of the matter and the House goes on the other day to some business. In other words the House as a whole would debate for five days but subjects which the Opposition put down, non-confidence motions.

MR. LUNDRIKAN: May I ask the hon. Leader of the Opposition, has he having made his representation to the House Leader and not yet having received a response - of course there is no -

MR. ROBERTS: I did not say I had not received a response. I said I have not received a written reply.

MR. LUNDRIKAN: Well can I ask the hon. Leader of the Opposition, has he requested that at some point that the details of what his suggestion would be would be talked over and talked out and perhaps at some future point, down the road at some time, there would be -

MR. ROBERTS: Mr. Speaker, the hon. gentleman is -

MR. LINDRIGAN: The reason I raised the question is that I find -

MR. ROBERTS: Mr. Speaker, I yielded for a question but I have limited time and if the hon. gentleman would - the hon. gentleman has asked his question and I would like to try to answer it.

MR. LINDRIGAN: I find it amazing that the Leader of the Opposition would unveil all of this sort of thing in the debate on the budget which -

MR. ROBERTS: Mr. Speaker, the hon. gentleman obviously does not recognize the rule which is that, Mr. Speaker, the hon. gentleman is limited in time and so am I and what I have to say I wish to say. I am happy to yield for a question and the House Leader and I have had a number of conversations about this. I would hope it will be referred and I understand it is his intention that it be referred if we ever get the Standing Committee on procedures set up - what is it called? - privilege and procedure?

MR. POPE: Standing Orders.

MR. ROBERTS: The Committee is set up under Standing Orders. We will have a look at it. But I want to air it publicly here and I have chosen to do so.

MR. LINDRIGAN: I am glad you said it. I understand now.

MR. ROBERTS: What I have done is quite normal and quite toward and quite proper. I do not see why the hon. gentleman is getting so exercised about it. I did not mark my letter private. I did not sneak it over confidentially. I wrote as one member of the House. I did not even write as Leader of the Opposition. I wrote as a member of the House because I have not consulted my colleagues on this. I do not think it is a matter where there should be a government and an Opposition. I think it is a matter whereby members of the House should be concerned and should advance suggestions. I have advanced what I consider to be a very meaningful one.

MR. WICKMAN: If the hon. gentleman will allow, on the five hour debate again on matters that have been put down by the Opposition.

MR. ROBERTS: I did not say the five hour, the five days debate.

MR. HICKMAN: Five days, right. When does the government get an opportunity to respond?

MR. ROBERTS: Oh, that is simple. A motion is put down that this House lacks confidence in the government because, say, in sending the Norma and Cladys around the world and then a member on this side makes a speech in support and then a gentleman opposite replies back and forth and at the end of the day, if the House sits until eleven, at quarter of eleven the vote is taken and that is the way it is in Ottawa with Opposition days, also with the Throne Speech. All their debates in Ottawa are limited to so many days.

MR. HICKMAN: I know. I mean Ottawa can get through -

MR. ROBERTS: Yes. Well they cannot necessarily get through it any quicker but -

MR. HICKMAN: - the Address in Reply or a declaration of war in two days.

MR. ROBERTS: Well I am suggesting a debate but the Opposition choose the topic. Not like Private Members Day which is not an Opposition day. Any hon. member can put down a question on Private Members Day. A minister cannot but any hon. gentleman can. The gentleman for Bay Of Islands (Mr. Woodrow) has a question on the Order Paper, a motion under Private Members Day. He has one under government orders too but that will not see the light.

MR. HICKMAN: Obviously when there is no time limit there is something wrong with the way that this House operates.

MR. ROBERTS: Mr. Speaker, there is a great deal wrong with the way this House operates but I am making a suggestion which I put forward as a possible way out of the morass.

MR. HICKMAN: When the Parliament of Canada and the Parliament of Westminster can get through an Address in Reply in two days -

MR. ROBERTS: Mr. Speaker, the Parliament of Westminster; every single bill almost that comes into that parliament comes in with what is called a guillotine attached to it. The Whips get together and agree on a schedule and the schedule is how many hours there are for debate. A twenty minute speech in Westminster I am told is a very long speech.

MR. ROBERTS:

If a minister is introducing a major bill he might speak for twenty minutes. But in this House, Sir, we had the tradition for 150 years of unlimited - we still have it - indeed on this of the minister making a speech and the member replying thereto may speak at any length.

DR. FARRELL: Wind power.

MR. ROBERTS: Wind power, right, on both sides.

MR. HICKMAN: Obviously that is not good.

MR. ROBERTS: I am quite prepared to change that too. But we saw a Committee set up a few years ago to look at the rules and instead it turned into a kangaroo to put in a gag rule. Because the gentleman for St. John's East (Mr. Marshall) whatever his intentions his actions show he was not interested in reforming procedures. I think this sort of suggestion would take us a long way. I am sure I speak for my colleagues when I say we are willing to look at it on its merits. It can be changed. It can be improved. It is put forth as a suggestion. But set up a number of committees, refer the estimates to the Committees, have them debated and discussed, but not voted upon. Only the House can vote. Let the fifty-one men and women who sit in this House vote.

So the report would come in. The Chairman of the Committee would stand and say, "Mr. Speaker or Mr. Chairman we have discussed the estimates on Head one, two, three and four," and then vote on them. We may say no discussion, they have been discussed in Committee and if the Opposition wishes to raise a matter they have five separate days in which they can raise a matter. So I think there is ample opportunity - it is a trade off but I think it is a good trade off. I think it is one that would give us a better discussion of the estimates, a more meaningful discussion, and would also give us a means - and the government have adopted this as their policy - of a finite time. The House Leader can say that on a definite day the estimates will come to an end. I think, you know, that it is a procedure we should

MP. ROBERTS:

look at. It is not put forward as the Medes and the Persians. There may be a great deal wrong with it.

AN HON. MEMBER: The only powerful play would be the inquisition -

MP. ROBERTS: To discuss and debate. I do not think a Committee of twelve of the fifty-one members or eleven or ten or whatever should have the power to change a matter that only the House could change. I do not think, for example, that a Committee of ten or eleven should have the power to vote down - it cannot increase -

MP. MORGAN: It could not vote.

MP. ROBERTS: I would not allow them to vote on these matter, no. Or if they voted it would not be binding. The government should not have to put their fate in the hands of a Committee. The government's fate, Sir, on supply belongs here in this Chamber.

MP. DOODY: So that the members are confined to one Committee, one series of departments and they will not then, Sir, be able to get at all these -

MP. ROBERTS: I mean these are things I quite generally have not thought through. They could be worked out. In Westminster I think they are called committees a, b, c and d and estimates presumably by agreement among the whips or House Leaders are put out to the Committees. A member quite possibly could say, "Look you know I would like to be on that Committee." Or he may say, "Can I sit in." A member would have the right to attend a Committee and speak. You know you could put all sorts of wrinkles in it once the principal is adopted. But I think we have got to do something. Because our present procedure is not satisfactory. Oh sure a government - forget the present hon. gentlemen - you know a government may say, we know when the estimates will end and that is some satisfaction. But that is hardly satisfactory.

MP. DOODY: Well that would be frustrating to the previous system, you never did know.

MP. ROBERTS: Yes well all right. This way there is some finite end.

MR. LUNDPIGAN: Does the Committee of the Whole have to end all this deliberation automatically?

MR. ROBERTS: I would suggest the Committee of the Whole put them through voting without discussion. But I think the five Opposition days and the budget debate provide ample - and the Throne Speech, well the Throne Speech would normally come before - but the five Opposition days and the budget debate with the amendment and the sub-amendment which our rules provide would give the House ample opportunity to raise the large issues of policy. That is what we are talking of is it not?

MR. LUNDPIGAN: So you would move the estimates outside the House entirely?

MR. ROBERTS: Right, right. But the House would vote and if the House choose to reject it, then that has the normal fate that would follow from any rejection by the House of a government financial measure. But I am suggesting that they be examined in detail. They are not examined in detail here now. That is farce. Maybe it worked twenty years ago or 120 years ago when the estimates were much smaller but now I mean \$500 million put through without any debate at all. I think it is fair to say that the House is not a forum whereby matters can be examined and discussed.

We debate things in the House. We have back and forth. I am not sure a question - I used to watch Mr. Bill Browne, the hon. W.J. Browne, a magnificent figure of a Tory, a magnificent man, but he would be up on estimates, and there were about two or three of them over here then, and he would be asking questions of the minister and the minister would give him an answer. But that to me did not produce very much in the way of meaningful debate or meaningful anything except little tidbits that the press could write up. But you could put your questions on the Order Paper now and get those answers. What I think the House should be is a debating forum, a matter for discussion of the great questions.

MR. ROBERTS:

That is why on estimates we do the right thing to bring up - well on health my friend from Baie Verte-White Bay (Mr. Pideout), who did a magnificent job, brought up the question of asbestosis which is an important one. We cannot talk of everything. So you pick your topics just as the Opposition in Ottawa do and well they should. They do it on Question Period. I sat through a Question Period on Wednesday last in Ottawa. I may say, Mr. Speaker, we are tigers here compared to the hon. gentlemen in Ottawa. They were tame tabbies indeed on that day. But they have a meeting I understand each morning at eight or nine o'clock and they decide what questions are going to be asked and then who is going to ask them and they go off to draft them up and that is sensible and logical. We do much the same thing here, not quite as formal. There are only fifteen of us. What are there? Ninety-five Tories sitting in Ottawa now?

MR. LUNDRIKAN: 150.

MR. ROBERTS: Well we will see about that. I know one of them will not be the hon. gentleman because Bonavista-Trinity-Conception took care of that. But the fact remains that we are a smaller group numerically.

MR. ROBERTS: I think the suggestion that I put forward has some merit. I am not saying it is perfect and it can certainly be improved upon. But the fact remains that all we are doing now, the government are getting supply now sure, but they know they will get it anyway. They have a majority. All we are doing now is downgrading the parliamentary system. We are bringing the whole House of Assembly into disrepute. We are not achieving any purpose of examination of anything. We are not debating matters in any systematic way. We are not giving all hon. members a chance to get into it. Because given the fact there are only seventy-five hours and given the fact of forty-five minutes a speech, and given the fact that some members are unduly loquacious and have opinions on all subjects, then I suppose, I have not added it up but of the forty-eight men and women who stood in this House I suppose twenty-five did not open their mouths during that seventy-five hour debate on estimates. And of the twenty-three others I suppose a half dozen or ten at most did eighty-five or ninety per cent of the talking.

The system is not working. Well let us change it. I am averse to the government being assured of a timetable when they know they will get supply. It does not particularly bother me. As long as they have the confidence of the House they are entitled to it. As long as there is adequate opportunity for debate and examination I do not begrudge the timetable. Indeed I would be quite willing to try to work out a system whereby bills, well we rarely debate bills at length, whereby the Throne Speech and the Budget Speech have time limits on it by agreement. I do not see no reason why not. As long as there is the equality of both sides, and the Speaker will see to that. But this proposal would enable us to have a meaningful discussion of the estimates and this would not entirely hurt the government, it would not

MR. ROBERTS: entirely help them. Many ministers have things - I am sure the gentleman from Green Bay (Mr. Peckford), the Minister of Municipal Affairs had many things he wanted to talk about and bring out with pride on his estimates. Good things he was doing and why should he not have the opportunity to bring them out? The press could report the committees. There would be a record kept. It is all very straightforward. I think it is a good suggestion.

I put it forward. I think it is a good one. I have reason to believe that the government will at least consider it.

MR. LUNDRIGAN: Was that not put forward before?

MR. ROBERTS: Not to my - my friend and colleague, our House Leader, put it forward some weeks ago to the House Leader on the other side informally, behind the curtain, having a chat.

MR. LUNDRIGAN: The hon. Leader of the Opposition spent a year on the Select Committee looking at the rules.

MR. ROBERTS: Yes, Sir.

MR. LUNDRIGAN: And that was never discussed?

MR. ROBERTS: Never put forward. And who was on the Select Committee? The gentleman from -

MR. DOODY: White Bay.

MR. ROBERTS: Yes, Mr. Bill Rowe, White Bay South, the member for St. John's East (Mr. Marshall) was Chairman, Mr. Leo Barry sat on it, I think the gentleman from St. John's West (Mr. Crosbie) sat on it although I am not sure.

MR. ROWE: "John Crosbie" sat on it.

MR. ROBERTS: Yes he did.

MR. DOODY: Well that is it then.

MR. ROBERTS: No. There were more than that. There were seven members I believe.

MR. LUNDRIGAN: Did the hon. Committee ascertain from other Legislatures in Canada -

MR. DOODY: They were all learned anyway.

MR. LUNDRIGAN: - the hon. learned gentlemen and unlearned gentlemen.

MR. ROBERTS: Mr. Speaker, we have a number of studies of other Legislatures in Canada they all use different - in Nova Scotia all bills are put to Committee. The House, Sir, never debates a bill in Committee of the Whole in Nova Scotia. They are all studied in Committee and a very different - Ministers appears before Committees and defend the bills in a way that is not done here. There are different procedures in different places. I am suggesting a procedure for Newfoundland and Labrador, one which I think is worth looking at -

MR. LUNDRIGAN: It is worth looking at. There is no doubt about that.

MR. ROBERTS: It can be improved. I do not put it forth as a finished product. I put it forth as a product of a great deal of thought and consideration but one which is certainly competent of approval. What I do know, whatever this procedure or this proposal, what I do know is that the present system is not working. It is not serving the people of this Province. It is not serving the House of Assembly. That is why I think we should make a change because the only people who are hurt are not the Government or the Opposition, the only people who are hurt are the people of this Province.

Mr. Speaker, I must be nearly up to my time, am I?

MR. ROWE: You have twenty-three minutes after six o'clock.

MR. ROBERTS: Half an hour yet. Oh goodie. Goodie.

Well, Mr. Speaker, I have one or two points I wanted to make unrelated to this. If it is acceptable to the Minister of Justice, whom I assume is the House Leader, I will move the adjournment of the debate. I think I have twenty-three minutes or something.

MR. ROWE: After six o'clock.

MR. ROBERTS: After six o'clock, I have twenty-eight minutes to go.

MR. HICKMAN: Okay. Do you want to adjourn now?

MR. ROBERTS: I will move the adjournment if that is in order, Mr. Speaker, then we will come back tomorrow refreshed and invigorated.

MR. HICKMAN: Mr. Speaker, I move that the remaining orders of the day do stand deferred and that this House on its rising adjourn until tomorrow at two of the clock.

MR. SPEAKER: It has been moved and seconded that this House do now adjourn until tomorrow Tuesday, at 2:00 P.M., those in favour "aye", those against "nay", carried.

This House is now adjourned until tomorrow, Tuesday, May 18, 1976, at 2:00 P.M.

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