

PRELIMINARY

UNEDITED

TRANSCRIPT

House of Assembly

For the Period:

3:00 p.m. - 6:00 p.m.

Friday, March 4, 1977

The House met at 10:00 A.M.

Mr. Speaker in the Chair.

MR. SPEAKER: Order, please!

There are two points of order which were brought up in the closing minutes of yesterday's session. I will deal with the second one first, and that was with respect to whether if a minister was absent from the House during a debate under the 5:30 P.M. procedure, another minister could answer, partake in the debate, on his behalf.

The relevant Standing Order 31 (h) states:

"The minister, if he wishes to reply, may speak in reply for no more than five minutes." It is totally silent on what the procedure would be if the minister is not in the House. It is totally silent on whether another minister may speak on his behalf. I realize that the precedents cannot overrule the Standing Orders. Standing Orders come first. Here the Standing Order is totally silent. There has been precedent, unchallenged precedent, for a minister to speak on behalf of another minister during that procedure, and I would, therefore, rule that he may do so as of right.

The other matter is with respect to the sub-amendment moved by the hon. member for Windsor - Buchans (Mr. Flight). And just to avoid confusion, I should point out that this is a second and different point of order than the first one. The first one dealt with the relevancy of the sub-amendment, whether it was in order on the basis of relevance, and it was decided there that the sub-amendment did not enlarge upon the scope of the amendment. The actual amendment is a condemnation of the government for certain omissions. The sub-amendment expresses regret for other assumed alleged omissions. Therefore, that it did not enlarge upon the scope of the amendment, which was condemnation or regret of the government for omission, but dealt with a matter not covered specifically by the amendment, and that was - and in the sub-amendment - a very specific alleged omission.

Mr. Speaker.

The second point of order, on which a decision has to be given now, debate and argument centred over the allegations in the sub-amendment, allegations of fact, whether they were accurate or not. Number one, certainly it would be very difficult, it may well be impossible, for me in a short period of time to make the judgement whether those allegations are correct or not, and indeed it would be open for discussion - to what extent even that would be - that is what I should do. But certainly if I were to do it, it could well take days. There would be financial data - I have heard arguments to the right and arguments to the left - certain financial data. Presumably, I would write the Comptroller of Finance and get his opinion as a servant of the House, and certain legal opinion as well.

Mr. Speaker;

What I have done, and what the rules permit me to do, is to affect a change, not of substance, but of form. In doing this I consulted with the mover of the sub-amendment, the hon. member from Windsor-Buchans (Mr. Flight), and I have therefore made a change in the sub-amendment as to form, and this leaves the area of the allegations of fact out of the sub-amendment. And the sub-amendment as altered reads "And this House further regrets the action of the ministry in agreeing to borrowing the sum of \$50 million without providing prior opportunity for debate in this House."

SOME HON. MEMBERS: Hear, hear!

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

MR. J. CARTER: Mr. Speaker, there is a third point of order that should be considered at this time. The point of order concerns the right of the hon. member from Windsor-Buchans to speak for an unlimited period of time. Mr. Speaker, it was established some days ago that a person making an amendment to the Speech from the Throne may speak for an unlimited period of time, and also a person making a sub-amendment may speak for an unlimited period of time. This was decided on the basis of precedents in this House, uncontested precedents. But, Mr. Speaker, there has never been, to my knowledge, a second sub-amendment to the Speech from the Throne made.

MR. NEARY: Oh yes there has.

MR. J. CARTER: If there has, the person has not spoken for an unlimited period of time, and therefore, Mr. Speaker, I am -

SOME HON. MEMBERS: Oh, oh!

MR. J. CARTER: Could I have silence from the criminal element, Mr. Speaker?

MR. SPEAKER: Order! Order! Order!

MR. NEARY: Mr. Speaker, on a point of personal privilege. Sir, I would suggest to Your Honour that the remark made by the hon. gentleman

Mr. Neary:

Sir, is completed unparliamentary, absolutely uncalled for, completely ignorant, -

MR. SPEAKER: Order, please!

MR. NEARY: - and that the member should withdraw his statement and apologize to this House, Sir, for being so irresponsible.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: On that point of order. Certainly reference to hon. members as 'criminal element' would be improper. I would ask the hon. member to withdraw it.

SOME HON. MEMBERS: Oh, oh!

MR. J. CARTER: I withdraw, Mr. Speaker, but the only thing is -

SOME HON. MEMBERS: Oh, oh!

MR. J. CARTER: - Mr. Speaker, I certainly withdraw, but I do not see how another point of order can intervene, I was on a point of order.

Anyway, Mr. Speaker, I therefore contest the hon. member's right to speak for an unlimited period of time, not because I do not want to hear from him, I think he is one of the better, more reasonable speakers in this House, but I think if this right goes unchallenged then every single person who wishes to make a sub-amendment to the Speech from the Throne or to the Budget Speech, while we are operating under our present rules, is going to be able to speak for an unlimited of time.

MR. NEARY: So what!

MR. J. CARTER: And I suggest to Your Honour that the chaos that would result -

MR. NEARY: Go back to your savoury patch.

MR. J. CARTER: Your Honour, would you -

MR. SPEAKER: Order, please!

MR. J. CARTER: - confine the hon. Valdmanis lover -

SOME HON. MEMBERS: Oh, oh!

MR. SPEAKER: Order, please! I wish to interrupt both hon. gentlemen. And there is a point it appears quite necessary to make, and that is when points of order are being made, number one,

Mr. Speaker:

the arguments should be strictly relevant. There should be no interruption. And it would certainly appear, bearing in mind that yesterday as well, that not all hon. members are living up to that requirement as they should. So points of order should be strictly relevant. There should be no interruptions.

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

MR. J. CARTER: I can be as relevant as it is possible to be, but I do not want there to be a precedent established or an uncontested precedent to be established, and therefore I am protesting the hon. gentleman's right to speak for an unlimited period of time on the basis that this not the first sub-amendment to the Speech from the Throne, but the second.

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

MR. ROBERTS: Mr. Speaker, first of all I am not sure whether the point of order is in order because it is a hypothetical point, but if Your Honour wishes to dispose of the point I am prepared to make a submission. The question is not whether the hon. gentleman can speak for an unlimited time, but whether he can speak for more than the forty-five minutes which ordinarily is his due.

And I would suggest, Mr. Speaker, that the relevant rule is 49 (b) of our Standing Orders, which

MR. ROBERTS:

does not speak of amendments or sub-amendments or anything else, except it talks of government orders - well, that is not relevant here and these are not government orders. I am sorry, 49 (a), Mr. Speaker, is the one, not 49 (b) which refers to the Premier and myself. The relevant part is, "A member making a motion of 'No Confidence' in the government." And I would suggest, Sir, that is the germane question, whether the sub-amendment moved by the gentleman for Windsor-Buchans (Mr. Flight) amounts to a motion of no confidence. Mr. Speaker, obviously it is a motion of no confidence. It is a motion which if adopted by the House criticizes the government in respect of their handling of a very important aspect of financial affairs. Nothing is more relevant to the confidence which a House holds in the government than the conduct of financial affairs.

If the motion were to be carried, then the government would have no option other than either to resign, a general election, or following the so called Pearson precedent established back in about 1967, 1968 in the House of Commons in Ottawa, put down a motion of confidence and put that to the test and thus further test the House's wish.

But, Sir, I think the motion or the amendment, the motion if you wish, is a matter of no confidence. Because it is a matter of no confidence it is governed by 49 (a). Therefore the hon. gentleman for Windsor-Buchans (Mr. Flight) if he wishes - I understand he has no such intent or wish, he may be provoked into it by the hon. gentleman for St. John's North (Mr. J. Carter) - but if the member for Windsor-Buchans (Mr. Flight) so wishes he has the right to speak for more than forty-five minutes because it is a motion of no confidence. There is nothing, Sir, anywhere in our Standing Orders or, I submit, anywhere in our precedents governing the length of time in respect of which members may speak on amendments or sub-amendments or motions except Standing Order 49 which is the one that sets forth the rules. It does not refer specifically to amendments or to sub-amendments or anything else, it refers only to government orders or to motions of no confidence. Of course that is almost all the business of the House

MR. ROBERTS:

leaving aside the supply procedure which is governed by a separate rule.

I submit, Sir, that if the hon. gentleman so wishes because he has moved a motion of no confidence he is entitled to speak for the forty-sixth minute and thereafter as long as he is relevant and according to the rules of order.

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

MR. J. CAPTEP: Mr. Speaker, to that same point of order. No one is suggesting that this is not a motion of non-confidence or part and parcel of a motion of non-confidence. I freely admit that this is a narrow, technical point. But nevertheless, unless this is - as Your Honour ruled the last time, Your Honour's ruling was governed entirely by precedents, and therefore since, as I submitted earlier, there is no precedent for the second mover of a sub-amendment to a Speech from the Throne or to a budget speech having spoken uncontestedly for more than forty-five minutes, therefore I submit that the hon. member for Windsor-Buchans (Mr. Flight) has no right to such unlimited time.

MR. NEARY: If you spent more time in the House instead of in your 'savory patch -

MR. SPEAKER: Order, please! Standing Order 49 (a), I shall read in its entirety,

"No member except the Premier and the Leader of the Opposition or a Minister moving a government order and the member speaking in reply immediately after such Minister, or a member making a motion of "No Confidence" in the government and a Minister replying thereto shall speak for more than forty-five minutes at a time in any debate."

Now, the hon. member has made a motion. It certainly has to be a motion of no confidence. So in the interpretation of the Standing Orders he has the right to speak beyond forty-five minutes.

With respect to the question of precedent, there is a question of fact which would have to be ascertained, whether there have in fact in this legislature under these rules been other occasions in which there was a sub-amendment, a second sub-amendment to the Address in Reply. It is a question of fact of which I am not absolutely sure

MP. SPFAKER:

now. But I do not see that the sub-amendment being a second or indeed a third would alter the fact, if the sub-amendment brings itself within the definition of the Standing Order, then

MR. SPEAKER: it would appear to me that the precedent established and the ruling given a week or so ago was with respect to a sub-amendment on the Address in Reply, which was one of no confidence and entitled the member to speak more than forty-five minutes. I cannot see anything which would differentiate between the rights of a member moving a sub-amendment which would be the second sub-amendment, rather than the first. I can see nothing which would argue that there would be a difference. If it is a sub-amendment and in order, and if it is one of no confidence, then there is nothing to suggest that a member's rights would be affected in any way by it being the second rather than a first. And therefore I have to rule that the hon. member does have the right to speak in excess of forty-five minutes and that I can see no difference in a member's right depending on whether a sub-amendment is the second or the first.

STATEMENTS BY MINISTERS

MR. SPEAKER: The hon. minister of Consumer Affairs and Environment.

MR. MURPHY: Mr. Speaker, I think I am a little late actually, but I would like to put into the record of the House today, with the permission of the House, an event that takes place in the city tonight, I do not know if it has been mentioned, and that is to celebrate the 150th anniversary, Sir, of the Annual Regatta, which I think is a historic event itself. It is the longest continuing amateur event in all of Canada and I would like on behalf, principally I suppose to St. John's members, to offer congratulations to the president, Mr. Reardigan, and to other of his executive for continuing the work that has been going on for so long. And, as I say, the St. John's Regatta is one of the historic events of Canada. So I would like to have it written into the record.

SOME HON. MEMBERS: Hear, hear!

MR. SPEAKER: The hon. member.

MR. NOLAN: Mr. Speaker, we certainly join with the hon. Minister of Consumer Affairs and Environment on noting this 150th anniversary. I believe the hon. member said, and of course for many of us, not only the St. John's members so-called, but everyone in Newfoundland. We well remember the participation, for example, of the crews from Placentia and other areas. We think fondly of the tremendous efforts of the Americans, for example, who when they were stationed here on our shores and the part that they played. And of course we remember all the very, very fine people we have known over the years who have associated themselves with the Annual Regatta. I think it would be remiss of all of us if we did not pay a tribute to those who have worked so hard for so long to make this- I believe it was during the war that they dropped it one year or two, or more was it?

AN HON. MEMBER: The First World War.

MR. NOLAN: The First World War. But during the Second World War it continued uninterrupted.

MR. MURPHY: Yes, with great respect.

MR. NOLAN: And of course as one who has covered the Regatta for any number of years on radio and television, I can think of many of the names who were down there from time to time, and of course I think the last one I remember doing just a few years ago, early in the morning, interviewing the late Hon. James D. Higgins as he came down in the horse and wagon, down by the boathouse, and we exchanged a few reminiscences there on the air, and I really miss his presence at the Regatta because he was so much a part of it.

And of course we think of all the Shotty Rogers and all the great names that have been associated with the Regatta, and we have noted too, since I was a boy and many other members in this House, how much some of the functions have changed. A little more sophistication.

MR. NOLAN:

Some of the juice that is consumed down there now is bottled a little more -

MR. ROBERTS: Even fit to drink, is it?

MR. NOLAN: fancifully, I believe, that it was years ago. You do not have the Spruce Beer and Hop Beer and all as it was years ago. I hope that we will, certainly I would hope that the hon. minister and Mr. Speaker might find it convenient to convey our very good wishes and congratulations to the committee and to wish them luck in the year coming and for the years ahead.

As a matter of fact I think the Regatta has changed the date this year for the first time because of the Summer Games.

AN HON. MEMBER: When will it be held?

MR. NOLAN: Pardon, I do not know the exact date. Do you know the date of the Regatta this year?

MR. MURPHY: It used to be the first Wednesday in August, but it will be

MR. MURPHY: the last Wednesday in July I believe this year, eh?

MR. NOLAN: Yes.

MR. ROBERTS: Brought forward a week.

MR. NOLAN: Right. Well I just wanted to -

MR. ROBERTS: Does that mean that we will have our holidays a week earlier?

MR. DOODY: Providing the ice is off the pond.

MR. NOLAN: Pardon.

MR. DOODY: Providing the ice is off the pond.

MR. NOLAN: Provided the ice is off the pond.

MR. ROBERTS: Weather is federal.

MR. NOLAN: Also a gentleman of course that I should mention who is usually in this House in the spectators' gallery quite frequently and he is not here, is the famous Aubrey Mac whom we have often paid tribute and Aubrey of course is noted by his own admission of speaking from to time from the bottom of the pond.

So with these few remarks I would like to endorse the remarks of the hon. minister on behalf of all those on this side, and I notice now that the members of the House of Assembly are engaging in sporting activities on the ice and perhaps one day we will see a member of the House of Assembly in a regatta, not only in St. John's but in other areas of this Province. I am not sure that it will enhance such aquatic events but at least it might offer some amusement.

SOME HON. MEMBERS: Hear! Hear!

MR. ROBERTS: Walking on the water.

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MR. NEARY: Mr. Speaker, a point of information, I wonder if -

MR. SPEAKER: A point of order.

MR. WFLLS: A point of order.

MR. NEARY: A point of order, Sir—I do not know what it is - a point of privilege, I would like to ask the Minister of Justice when we are going to get some more answers to questions. I have got about 250 questions on the Order Paper now. I have got five or six answers and here we are now up in the 5th. or 6th. of March. When are we going to get some answers? I wonder if the minister is going to make an effort to provide the House with the information?

MR. HICKMAN: Such a foolish list of questions.

MR. NEARY: Go down and straighten Dick Greene out, boy.

ORAL QUESTIONS:

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

MR. ROBERTS: Mr. Speaker, they say we are too green to burn.

MR. NOLAN: Very good.

MR. ROBERTS: Mr. Speaker, my question in the absence of the Premier, and the Minister of Mines and Energy, must go to very much the second best, but the best we can do, to the minister - Oh, here is the Premier now, Sir. A question then for the Premier. Mr. Speaker, given the government's commitment here in the House a year or so past to consider the question of removing the ten per cent retail sales tax from that portion of the electrical bill incurred by consumers who use electricity for home heating, and given the fact that the price of electricity continues to rise and will rise again further as a result of the price increases announced yesterday by the Minister of Mines and Energy that is permitted by the Public Utilities Board - if the Premier looks at his light bill he will notice a fuel adjustment tax or fuel adjustment rate built in as part and parcel of it now, under authority of the Public Utilities Commission - given that undertaking by the government, and given the constantly rising prices, can the Premier tell us when the legislation to authorize this, or the

MR. ROBERTS: appropriate action by the Cabinet, either legislation will be introduced or the appropriate action will be taken by the Cabinet?

MR. SPEAKER: The hon. Premier.

PREMIER MOORES: Mr. Speaker, because of the obvious fiscal constraints we are all under it is not the intention of the government to do it at this time as much as we would like to. We have once again, like Prince Edward Island and Nova Scotia, made representation to the federal government to give us some assistance regarding heating fuel and the various programmes they have underway to conserve energy and so on. And as I say, as much as the government would like to do that at this time unfortunately we find it impossible to do so.

MR. ROBERTS: Mr. Speaker.

MR. SPEAKER: A supplementary?

MR. ROBERTS: Well by way of a supplementary, I merely want to note that I will ask that the matter be debated on the Late Show next Thursday.

MR. NOLAN: A supplementary, Mr. Speaker.

MR. SPEAKER: A supplementary?

MR. NOLAN: Yes.

MR. SPEAKER: The hon. member for Conception Bay South.

MR. NOLAN: The supplementary again involves the Newfoundland Hydro and in today's newspaper the House no doubt has noted that Newfoundland Hydro intends to ask Newfoundland Light and Power for further increases. I believe the ministers have indicated that Newfoundland Hydro will be subject to possible review by the Public Utilities Commission. Will this latest effort on behalf of Newfoundland Hydro go before the Public Utilities Commission?

MR. SPEAKER: The hon. the Premier.

PREMIER MOORES: I am not sure of the answer to that question, Mr. Speaker. The problem is that it is being discussed, and I think it is fair to say that it is the intention that Hydro will go under the Public Utilities Commission and as I think anybody who is in the retail power business should be, or the wholesale power business for that matter.

But regarding the latest statement, I am not sure but I will certainly take notice of it and find out for the hon. member.

MR. ROBERTS: Mr. Speaker, a supplementary.

MR. SPEAKER : A supplementary.

MR. ROBERTS: Mr. Speaker, with respect to the Premier's answer, the government have announced in its policy that they intend to bring Hydro under the authority of a regulatory body, either the Public Utilities Commission or presumably or possibly a similar body. Can the Premier tell us when that will be done, Sir?

MR. SPEAKER: The hon. Premier.

PREMIER MOORES: During this session of the House, Mr. Speaker.

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

MR. SPEAKER: A further supplementary.

MR. ROBERTS: Sir, will the Premier issue directions to Hydro, given the fact that the House will be dealing with the matter at this session as he has just told us, will the Premier then issue directions to Hydro - after all they are a Crown corporation - that they are not to request any change in rates until the new procedure is in effect so the change in rates can be considered under the new procedure?

MR. SPEAKER: The hon. Premier.

PREMIER MOORES: Mr. Speaker, once again I will take it as notice. I do not know how far Hydro have gone with their various customers and so on. But I will get the information and the government's stand and let the Leader of the Opposition know.

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

MR. SPEAKER: One further supplementary.

MR. ROBERTS: Can the Premier tell the House whether the Cabinet have given Hydro permission to proceed with the appropriate steps, whatever they may be, that Hydro has announced today with a view to raising their wholesale rate which, of course, in turn will result directly in an increase in the retail rate to the customers?

MR. SPEAKER: The hon. Premier.

PREMIER MOORES: The situation, Mr. Speaker, is that, yes, Hydro have got to try to keep the rates up somewhere in line. Hydro is costing the taxpayers of the Province a great deal of money now

Premier Moores:

with the present rates and even with the new rates proposed. The fact is that unfortunately all the new generation of power in the Province now is from oil generated units, and there is another one being installed at Holyrood at the present time. And that means, of course, that the new electricity coming on stream is very much more expensive than the hydro electricity from Bay d'Espoir and the other hydro sites in the Province. I think there are some hydro sites left. Some of them could possibly be harnessed, but there are others such as Lloyds Lake, which my friend from Windsor - Buchans (Mr. Flight) is familiar with, that for ecological reasons, and other reasons, it would be very wrong even though it would mean a slightly lower power rate. But the fact is, Sir, that unfortunately until such time as we can get Labrador power to the Island part of the Province, our power costs are going to increase the same as any other area that depends solely on thermo generation.

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

MR. NEARY: Mr. Speaker, last session of the House, Sir, the hon. Premier agreed to set up an Internal Committee of officials of the Department of Finance, Health and Public Works to look into management fees and certain other arrangements that were made at the Health Science Complex with Scrivener Newfoundland Limited. Would the Premier now tell the House if that committee was set up, if it was in actual fact set up?

MR. SPEAKER: The hon. Premier.

PREMIER MOORES: Yes, Mr. Speaker, the committee was set up and its report and the exact detail in it - I know that there was nothing ontoward of any significance or it would have been brought forward. But I certainly will get the information and pass it on to the hon. member.

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

MR. SPEAKER: A supplementary.

MR. NEARY: Could the Premier tell the House what terms of reference, if any, were given to the Internal Committee to investigate Scrivener Newfoundland Limited?

MR. SPEAKER: The hon. Premier.

PREMIER MOORES: Mr. Speaker, once again there was a fairly thorough investigation. The exact terms of reference, we have not got it with us here right now. Once again I will get that for the hon. member as well.

MR. NEARY: A supplementary question.

MR. SPEAKER: A supplementary.

MR. NEARY: Does the Premier see any need for a further investigation either by the Auditor General's department, by the police or by anybody else in connection with this matter?

MR. SPEAKER: The hon. Premier.

PREMIER MOORES: No, Mr. Speaker.

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

MR. SPEAKER: A supplementary.

MR. NEARY: Could the Premier indicate to the House the completion date of the Health Science Complex, which has now been under construction for going on over six years, I think? It has to be the longest construction project in the history of Newfoundland. When is it going to be completed?

MR. SPEAKER: The hon. Premier.

PREMIER MOORES: Mr. Speaker, that is a \$64 question, because we have had varying dates for varying years. I agree with the hon. member that it has been ongoing, and very, very expensive, and a project that with the cost and the length of time of the construction, one wonders about the merit of having started it in the first place, but that is hindsight now. But the last date I seem to remember, I think it was March 1978, but I would not want to be held to that.

MR. NEARY: A supplementary question.

MR. SPEAKER: One additional supplementary.

MR. NEARY: Could the Premier

MR. NEARY:

indicate the additional funds that will be needed over and above I think the \$40 million that was the estimated cost, the additional funds that will be required to finish the Health Sciences Complex? And if there is an increase in the cost, would the Premier tell the House where the money will come from? Will it be put up by the provincial government or shared jointly by the Province and the Government of Canada?

MR. SPEAKER: The hon. Premier.

PREMIER MOOPES: Mr. Speaker, the figure as I understand it is somewhere around \$57 million or \$58 million now. Once again I would not want to be held to that figure. And the financing for the completion I would assume will be under the same financing as the rest.

MR. NEARY: The Government of Canada would pay it?

MR. SPEAKER: The hon. member for Fogo.

CAPT. WINSOP: Mr. Speaker, a question for the hon. the Premier.

Can the Premier tell the House what the government's position on the request by the Inuits of Labrador for the ownership of a large portion of land in Northern Labrador?

MR. SPEAKER: The hon. Premier.

PREMIER MOOPES: Mr. Speaker, the Inuit Association have a statement of claim which was financed by the federal government. And I understand that Mr. Allmand, I think it is, and Mr. Goudie - or the member for Naskaupi, from my office, are receiving that presentation of claim. But that is absolutely without prejudice as such because we have no official claim on that land from any organization as yet. We have had federal funding to see what claim if any they have to it. Our position until it has evolved much further than it is now, is that they have no claim until it is proven otherwise.

MR. SPEAKER: A supplementary.

CAPT. WINSOP: Is it not a fact, or is the Premier aware, I believe that this land was granted to the Moravian Mission quite a long while back. But then there was a movement by the government of the day to

CAPT. WINSOR:

get it reversed and passed over to the government or to the Province. Does the Premier know whether they really took place or not and if the land is still in the name of the Moravian Missions?

MR. SPEAKER: The hon. Premier.

PREMIER MOOPES: The answer is, no I am not familiar with it, Mr. Speaker, but as far as we are concerned that land belongs to the Province and all the people of the Province. As I say, until it is claimed otherwise or until it is proven otherwise that is the way it will remain.

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

MR. NOLAN: A question for the Minister of Social Services. I did not have an opportunity by the way to give the minister advance notice on this so I could understand it if he would indeed perhaps wants to take it as notice. If so, fine. It is regarding Virginia Park again. We have had quite a number of calls, as I am sure the minister's department has, at Virginia Park from residents there regarding, according to my notes, heat and light bills being paid separately in Virginia Park and apparently the community is quite upset about it out there. I know there has been a petition presented and so on. I am wondering if the minister is in a position now or perhaps on Monday to give us any additional information on what if anything has been done or can be done in reference to this matter?

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

MR. BPETT: Mr. Speaker, yes I have received the petition and I have replied to it. But in all honesty I think it is impossible for my department or any department to make regulations for any one particular area or section of the Province. All regulations have to be uniform. I certainly acknowledge and I am very sympathetic towards people, particularly widows, this time of the year when they find it so difficult with fuel. Actually we do make a difference in Labrador. I think it is nineteen dollars a month they get in

MR. BRETTE:

excess of the regular allowance.

AN HON. MEMBER: Fuel allowance?

MR. BRETTE: Fuel allowance. But I cannot conceive of any way that we could make a regulation for one particular area.

MR. SPEAKER: The hon. member for Terra Nova.

MR. LUSH: Mr. Speaker, a question for the hon. Minister of Finance in the absence of the Minister of Manpower and Industrial Relations. I wonder if the minister is in a position to inform the House as to whether there are any new developments with respect to the strike at the Waterford Hospital?

MR. SPEAKER: The hon. Minister of Finance.

MR. DOODY: Mr. Speaker, no, I am afraid that I cannot, as much as I would like to, tell the House that there have been any changes in the situation of the labour problems at the Waterford. The government's position is still as it was. We have made overtures to the union, and we have offered them certain changes in their pension plan. We have offered to sit down and discuss with them any anomalies or any differences that they might feel that are there.

Mr. Doody:

The union refuses to discuss anything until they get the full and complete Constabulary pension issue settled to their satisfaction. That is not negotiation, Sir, that is confrontation, and, you know, it is just impossible to deal under these circumstances. In the meantime, as I have said, the people from Manpower and Industrial Relations spent many hours trying to find some way to get the thing straightened out, but it is still unfortunately not resolved.

SOME HON. MEMBERS: A supplementary.

MR. SPEAKER: A supplementary. The original questioner has a supplementary.

MR. T. LUSH: I wonder if the minister would also inform the House as to how many workers are on strike? What is the approximate number?

MR. SPEAKER: The hon. Minister of Finance.

MR. DOODY: I think it is approximately 500 people on strike, Sir.

MR. T. LUSH: A supplementary.

MR. SPEAKER: The original questioner, a supplementary.

MR. T. LUSH: Five hundred? I think a couple of days ago the minister in answer to a question related to numbers of people working there, I think he said there were three thirteen-man shifts from the Constabulary makes thirty-nine, and I think he said there were fifteen to twenty volunteers. If you add these numbers together, I make it to be about thirty-three per shift, and what I am getting - this looks like with 500 people out of work that there would be far more people than this on an ordinary shift. So I am just wondering how the minister can justify this with his statement that the patients are being cared for adequately when the numbers are down substantially?

MR. SPEAKER: The hon. Minister of Finance.

MR. DOODY: Yes, but the question that I answered was how many police officers are on duty in there, and how many volunteers are on

Mr. Doody:

duty in there? And I answered that quite accurately to the best of my knowledge, that there were three shifts with about thirteen men each from the Newfoundland Constabulary who have been doing their duty admirably and well. We have had the volunteers from various departments of government, and various other agencies amounting to as many as twenty per shift for a total of about sixty, thirty-nine and sixty is pretty close to one hundred. We have the administrative personnel and the other people who work at the hospital the nurses, the lab and ex-ray people, the non-allied professional workers, who are the psychotherapist and others, and I think they total close to 180 people. There are also additional RNs, registered nurses who have been hired over and above this particular group. And there are other nursing assistants who have been hired which brings a total number of people available for working at the hospital somewhere between 380 and 400 people are available, including the medical staff.

MR. NEARY: That is a gamble, but are they actually working?

MR. DOODY: Well the 500 people who are on strike, let us not for a minute suppose that all 500 are on duty every hour of every minute of every day of every week. These people also were divided into shifts, plus extra people in case of sickness or missing or vacations and so on. So you can divide that 500 by 2, and subtract from them the people who are extra for fill-ins, for vacations and sickness and so on. There is not all that significantly large numbers of people who are now absent from work as compared to those that were before. I do not mean to mislead the House, in trying to suggest that all the things that were being done in there before the strike are being done in there now. But what I can assure the House, without hesitation, is that the standard of patient care and medical services that these patients need is being maintained by these people, to whom we are eternally grateful, despite the fact that the people who are on strike are not at their jobs.

MR. LUSH: A supplementary, Mr. Speaker.

MR. SPEAKER: The original questioner, a supplementary.

MR. LUSH: Mr. Speaker, I cannot seem to justify the numbers in my own mind that the minister is putting forth. Now probably there is something that I do not understand here. But in the answer that he gave to the House the other day, the hon. minister said "That there were three thirteen man shifts per day." Now does that mean that one shift of thirteen?

MR. DOODY: Yes.

MR. LUSH: One shift of thirteen.

MR. DOODY: Three thirteen shifts.

MR. LUSH: Right, three thirteen.

MR. DOODY: Thirty-nine.

MR. LUSH: That is thirty-nine total.

MR. DOODY: Thirty-nine total.

MR. LUSH: Right. And with respect to the volunteers -

MR. SPEAKER: Order, please! I must point out to the hon. gentleman that in asking a question they only state such facts as are necessary to make the question intelligible. So I would ask him to proceed to the question.

MR. LUSH: Okay, Mr. Speaker, thank you. Thirteen policemen and a maximum of twenty volunteers to my mind

MR. LUSH: make the maximum thirty-three per shift, according to the minister's answer recently, make it thirty-three?

MR. SPEAKER: The hon. Minister of Finance.

MR. DOODY: I was asked how many policemen are on duty and how many volunteers are on duty and these are the numbers that I gave. That is thirteen per shift, which is thirty-nine total per day, twenty per shift in volunteers, which is sixty total per day, and these are the people about whom I was questioned and these are the people about whom I answered. There is also the administrative staff, the management staff, the physiotherapists, the nurses and the outside nurses who have been hired since that time. And then now if you want to divide that into shifts you can also divide the 500 people who are on strike into shifts, so you divide the 500 by 3 or by 3 and a fraction because of the overlap in vacation times and so on. That is a numbers game.

MR. ROBERTS: Mr. Speaker, a supplementary.

MR. SPEAKER: The Leader of the Opposition. I will recognize the hon. member for LaPoile after for a supplementary.

MR. ROBERTS: Mr. Speaker, my supplementary grows directly out of the answers the minister has been giving and possibly I could ask him to tell us straight out, instead of both sides trying to get around it by the numbers.

Normally there are 160 people per shift, less those who may be ill or those who may be on leave. And let us say there are 140 per shift. I do not know what the figure is but it would normally take, in my opinion, 130 to 140 persons at any given time to run the Hospital for Mental and Nervous Diseases, as it used to be called, the Waterford Hospital. And of course the 500 on strike does not include the management

MR. ROBERTS: and administrative staff, so they are in addition. So normally there are 160, Mr. Speaker, my question -

MR. DOODY: You mean employees now.

MR. ROBERTS: I am sorry.

MR. DOODY: The total employment at the Waterford on normal occasions is about 680 people.

MR. ROBERTS: So there are 180 non-union.

MR. DOODY: That is right.

MR. ROBERTS: Okay.

MR. DOODY: Non back union.

MR. ROBERTS: Non NAPE, 180 not on a lawful strike. So there are 180 available for work out of the normal 680.

MR. DOODY: That is right.

MR. ROBERTS: Okay. So we have 500 who are not working because they are on a lawful strike. Now the real question, Mr. Speaker, and what my friend is getting at, is how many people, including the Police and the volunteers, we cannot count the office and administrative staff because we have excluded them from both sides of the equation.

MR. DOODY: No, you have not.

MR. ROBERTS: All right then, Out of the 680 who should normally be there, Mr. Speaker, how many are there? I will put them on both sides of the equation. There normally are 680 people to operate the Waterford Hospital. How many are there now given the fact that 500 are on strike. We have 180 plus 39 police officers, so that gives us 220, instead of 680. So we are short 460. Now my question then is how many volunteers are there? We will narrow it down to volunteers. How many volunteers are there to do the work of the 460 who would normally be there?

MR. SPEAKER: The hon. Minister of Finance.

MR. DOODY: You know that is an over-simplification, obviously,

MR. DOODY: because of the shift work. You are assuming that the 180 people, who are of the normal complimentary staff are still working their normal weekends and their normal days off and their normals evenings.

AND HON. MEMBER: In their normal jobs.

MR. DOODY: In their normal jobs, which they are not doing. You will find that most of these people are working sixteen hours a day -

MR. ROBERTS: They cannot keep that up very long.

MR. DOODY: Well, you know, that is not part of the question. We can debate that perhaps, I do not know. And I am not a participation person and I cannot begin to imagine the stamina that some other people have.

MR. ROBERTS: I understand the hon. minister participates.

MR. DOODY: What I am saying is that you are going to get soon in to the realm of man-hours that are involved in this thing and you are going to get into an entirely new thing. So it is really not that relevant -

MR. ROBERTS: Yes it is. Sure it is.

MR. DOODY: - in terms of the man-hours that are available for patient care. Now a lot of the people who are volunteers and so on are washing floors, washing laundry, cleaning up generally, doing a lot of the things that have nothing to do with the immediate patient care.

The nursing staff, the hospital staff, the doctors, the physiotherapists, the occupational therapists, the non-allied professional workers, the lab and x-ray people, the outside nurses who have been hired extra, the registered nurses, the RN's who have gone in, the nursing assistants and so on who have gone in have increased the number of people available in terms of hours of work that is being done in there out of proportion to the actual total number that you will find when you come together with all these things.

March 4, 1977

Tape No. 743

NM - 4

MR. ROBERTS: I will rephrase my question, in person-hours
or man-hours or -

MR. DOODY: Well I would have to go back and get the
calculator out and try to find out how many there are,
you know.

MR. SPEAKER: The hon. member for LaPoile, a supplementary.

MR. NEAPY: Mr. Speaker, I would like to ask the minister - well, first of all let me just throw this out as a preamble. When the workers went on strike there were a number of employees in that bargaining unit who were on sick leave. Will the minister tell the House if the sick leave for those who are in the bargaining unit has been cancelled because of the strike although the employee is still under the care of the doctor? Does the minister understand the question? There were a number of employees in the bargaining unit on sick leave. Has the administration of the Waterford cancelled the sick leave and put these employees on strike status?

MR. SPEAKER: The hon. Minister of Finance.

MR. DOODY: Mr. Speaker, my understanding of the system as it works - and I am not familiar with this particular instance but I am familiar with a like situation under the liquor store employees situation last year - those people who are members of the strike unit and who went on strike were not paid while they were on strike. And whether they are on sick leave or whether they are on vacation or whether they are on a picket line from the strike point of view I think would be immaterial to the administration because they have elected to go on strike as is their democratic right under the system and having exercised that right they have disassociated themselves from the hospital and therefore, as my understanding of the situation is, they are not eligible for pay. I think that is the intent of your question. Now there are people in that category at the Waterford, I would assume, and the same rule would apply to them.

MR. NEAPY: A supplementary, Mr. Speaker.

MR. SPEAKER: A supplementary.

MR. NEAPY: I assume from the minister's answer then that all sick leave immaterial of whether it happened before the strike, that all sick leave at the Waterford has been cancelled.

MR. SPEAKER: The hon. Minister of Finance.

MR. DOODY: We have not cancelled any sick leave. All we have cancelled is paying people who are on strike.

MR. NEARY: Well that is the same thing. I mean, a rose is a rose by any other name.

MR. SPEAKER: The hon. member for Terra Nova.

MR. LUSH: Regarding the Waterford again, Mr. Speaker. Again from my figures I gather that there are thirty-three people per shift, that is the non-professional workers not counting the management and the professional people. The question is, I wonder if the minister can tell the House how close is that to the normal quota, thirty-three people per shift give or take, you know, probably it is forty? The minister may have made a mistake with the numbers. But let us say my figure according to his answer it is thirty-three but supposing it is forty, how close are these figures to the normal working routine? How many people would be there normally?

MR. SPEAKER: The hon. Minister of Finance.

MR. DOODY: Once again I cannot really answer the question in the way that the hon. member would like to have it answered because he pre-supposes, like the Leader of the Opposition, that each person is working under the same conditions that he worked prior to the strike. There are many of these volunteer nurses who have gone in there for instance - and one of whom, incidentally, is my wife of whom I am very proud - works -

MR. NEARY: The workers are not very proud then.

MR. DOODY: Well that is their privilege. I am privileged to have a wife who is responsible. She works sixteen hours a day. That is two shifts. So that is two nurses in effect, and there are others who are doing the same sort of thing. The volunteer thing is not a question. If there are sixty volunteers in there now, it simply means that that is all that they need. There are many, many more people who have volunteered to go in there. There is a list up in control central, as it were, of people who have volunteered and are willing and anxious to go in and do any sort of job that they can do.

AN HON. MEMBER: Where?

MR. DOODY: Control central.

MR. RIDEOUT: Where is control central?

MR. DOODY: It happens to be my desk. So the number of people who are actually in there is not proportionate to the amount of work that is being done.

The important point of the matter is that patient care is not being jeopardized in the opinion of the medical authorities who are in control of the situation. The day that they tell us that there is a breakdown or a deterioration or a problem in that area -

MR. NEAPY: Can you tell us how many are working at the waterford or what?

MR. DOODY: Will you please, Mr. Speaker -

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

MR. DOODY: The day that the medical people who are in charge of the operation in there and to whom we respond, to whose opinion we bow and whose advice we seek and accept, the minute that they tell us that there is a problem or a danger with patient care, then government will be forced to take whatever action is necessary to see that that situation is corrected. Right now that problem in the opinion of the medical profession is not apparent.

MR. SPEAKER: I will allow one further supplementary. The hon. member for Conception Bay South.

MR. NOLAN: We, like I am sure the hon. minister, have received many calls from people in there who are either on strike or are working there. I have a two part question if it is permissible: It is, simply of those who are volunteers, or whatever you call them, how many are qualified and have any experience in psychiatric care, and secondly, how long can this

MR. NOLAN:

go on before the government makes a move for binding arbitration or something?

MR. SPEAKER: The hon. minister.

MR. DOODY: I guess that was a three-part question, Sir. The first part is that I do not really know how many of the extra people in there have psychiatric training. I cannot honestly answer that, because I do not have the information with me. As to how long the strike can go on before government takes some active steps to stop its going on through binding arbitration or whatever, the answer is, once again, I do not know. It is a legal strike. And as I say, both sides are holding their own position. As long as that happens, and there is no deterioration of patient care, I think government's responsibility is to respect that strike. And as for the third part of the question, which was - or what? - I am afraid I do not know quite how to handle that one at all, Sir.

ORDERS OF THE DAY:

MR. HICKMAN: Motion (1).

MR. SPEAKER: Motion (1).

Motion, the hon. Minister of Fisheries to introduce a bill, "An Act To Amend The Fish Inspection Act," carried. (Bill No. 20).

On motion, Bill No. 20 read a first time ordered read a second time on tomorrow.

Motion, the hon. Minister of Consumer Affairs to introduce a bill, "An Act To Amend The Real Estate Trading Act," carried. (Bill No. 27).

On motion, Bill No. 27 read a first time ordered read a second time on tomorrow.

Motion, the hon. Minister of Health to introduce a bill, "An Act To Amend The Hospital Insurance (Agreement) Act," carried. (Bill No. 29).

On motion Bill No. 29 read a first time ordered read a second time on tomorrow.

MR. HICKMAN: Order 1.

MR. SPEAKER: Order 1 - the Address in Reply.

The hon. member for Windsor - Buchans.

SOME HON. MEMBERS: Hear, hear!

MR. FLIGHT: Mr. Speaker, the sub-amendment now reads:

"And this House further regrets the action of the ministry in agreeing to borrow the sum of \$50 million without providing prior opportunity for debate in the House."

Now, Mr. Speaker, we regret, I regret, we all regret, the government having borrowed \$50 million without prior approval or without debate in this House. Mr. Speaker, I am not sure of the legalities here, whether or not the government contravened the Loan Act by borrowing \$50 million. However, I am certain of one thing; that if they did not contravene the act, they certainly went outside the spirit of the act. Mr. Speaker, this House was sitting when two weeks after the Minister of Finance indicated to the House of Assembly that the government had completed its borrowing for this year, approximately two weeks after that he stood in his place and announced to the House that they had borrowed \$50 million from Alberta. Mr. Speaker, there are all sorts of questions which can be asked about this loan. I mean how does the rate on this loan from Alberta compare with previous loans made by the Province of Alberta to other interests from the same fund?

MR. FLIGHT: We all remember, Mr. Speaker, two or three years ago, or maybe less than that, when the Premier of this province was the only Premier from Maritime Canada that agreed with the Premier of Alberta's right to increase the cost of oils and gas. And that had the affect, Mr. Speaker, of shafting the people of Newfoundland with regards to the cost of energy. We have now seen the fruits of that support and we have now seen the fruits of that capitulation, that one day when the Newfoundland government needed that type of a thing the money would be there.

Mr. Speaker, how will this \$50 million be spent? Mr. Speaker, the problem here is, and let me be very specific, we do not trust the hon. crowd on the other side of the House, we just do not trust them. Mr. Speaker, this is the same crowd that castigated the previous administration for their financial-

SOME HON. MEMBERS: Oh, oh.

MR. FLIGHT: - castigated them Mr. Speaker. But, Mr. Speaker, I remember now the hon. Minister of Finance of the day, the hon. Minister of Justice, and the hon. member is gone to Ottawa, saying that Newfoundland is bankrupt.

SOME HON. MEMBERS: Hear, hear!

MR. FLIGHT: We are going to go into receivership. We owe almost \$1 billion. And in six years this hon. crowd have tripled that debt, have gone through almost \$3 billion.

MR. WHITE: And you voted for every -

MR. FLIGHT: And this was the crowd that hoodwinked the general public of Newfoundland into thinking that the province of Newfoundland was almost bankrupt. So, Mr. Speaker, we just do not trust them. and I was a little surprised yesterday when the hon. member for St. John's East got up on a point of order and defended the right of the government to do this without prior debate.

MR. MARSHALL: I did not do that.

MR. FLIGHT: The hon. member indicates he did not do that, and if he said so then I withdraw it. As a matter of fact, all I should say is that I will be very interested in the hon. members remarks in this debate, and the hon. member for St. John's North, because rightly or wrongly, and I have no desire to embarrass either one of the hon. gentlemen, that they have had their times of falling out with this administration over their financial policy. The situation on the other side right now, Mr. Speaker, is they are sitting in the positions they are sitting basically because they have refused to go along with the hanky panky of this government with regards to financial dealings.

SOME HON. MEMBERS: Hear, hear!

MR. FLIGHT: Does anybody in this House realize, how many members in this House realize that the provincial debt of Newfoundland today is almost equal to the total earned income in this province, that we owe as much money as is being earned by all the people who are working in this province? That is some indictment. Now, Mr. Speaker, again -

MR. NOLAN: They were going to cure all that.

MR. FLIGHT: This is the government that came in and was going to cure all this. This was the government that was going to - everything that they did would be done with the approval of the House of Assembly. Mr. Speaker, the hon. Minister of Justice referred to the fact that we cannot have any provincial public works going on because Ottawa - now this is the hon. crowd, Mr. Speaker, that got elected on the platform that we will not go to Ottawa begging, we will not go to Ottawa with our hand out. And, Mr. Speaker, yesterday the hon. Minister of Justice got up and criticized Ottawa for not giving them enough when they do go begging.

MR. NEARY: So they wait and give them more money for the Norma and Gladys.

MR. NEARY: The Minister of Justice needs more money for his executive assistant.

MR. FLIGHT: No wonder Ottawa is reluctant to pass over any more funds to this hon. crowd when they see the way they have spent what has been passed over this past three or four years. Mr. Speaker, the reason there is no public work going on in this province today, Mr. Speaker, is because this hon. government cannot find the funds to put into public works.

How would the Minister of Justice like, how would he like to have the \$165 million you borrowed a couple of years ago to kick Brinco, to get Brinco out of Labrador? There is not a person in Newfoundland today that is benefiting by one iota by that \$165 million. Maybe some of the \$50 million you are borrowing is going to go to pay the interest on that particular loan.

SOME HON. MEMBERS: Oh, oh!

MR. FLIGHT: Maybe, and then, Mr. Speaker, maybe -

MR. ROBERTS: Mr. Speaker, a quorum call please.

Disgraceful! Disgraceful!

MR. SPEAKER (Capt. Winsor): There is no quorum.

Would the Clerk of the House count the members, please.

There is a quorum.

MR. MURPHY: Is there an Opposition?

MR. DOODY: Question! Question!

MR. SPEAKER: Question? Put the question.

MR. HICKMAN: The question is put.

MR. FLIGHT: Mr. Speaker, -

MR. DOODY: No quorum calls in our hockey games.

MR. ROBERTS: Even for you, that is purile.

MR. DOODY: The written agreement shows no quorum calls during hockey games.

MR. ROBERTS: Mr. Speaker, to a point of order. What agreement was there about no quorum calls during a point of hockey - or during a game of hockey or anything else?

MR. SPEAKER (Capt. Winsor): I have no knowledge of such information.

The hon. the member for Winsor-Buchans.

MR. FLIGHT: So, Mr. Speaker, -

MR. J. CARTER: You are being impossible.

MR. ROBERTS: And you have to keep fourteen here or there will be more quorum calls.

MR. FLIGHT: So, Mr. Speaker, the Province has borrowed another \$50 million, \$50 million that they tell us will be sitting around to spend when they are ready to spend it.

Mr. Speaker, I was talking about the Churchill Falls and the Lower Churchill deal. This government, this administration, have committed this Province to \$250 million borrowed money, Mr. Speaker, on which we are paying interest, that has not served any purpose to this date. No one in Newfoundland has benefited.

MR. FLIGHT: Now if the government had the borrowing power that they lost when they borrowed that money today, they would not have had to go to Alberta to borrow \$50 million under any circumstances. They would not have had to ignore the rights of this House.

We talk about jobs in the public service, we talk about jobs funded by the public treasury. That would have given this administration the ability to put \$50 million a year into fueling the private sector and creating the type of jobs we need around this Island to stop the massive unemployment we are witnessing. The reason we are in such straits in the unemployment situation, Mr. Speaker, is because up until a year ago, or two years ago, most of the work that was done in this Province was being done by people - most people did not realize they were working for the Government of Newfoundland.

The Province was funding the hospitals and the electrification programmes and the roads and the overpasses and the schools, and suddenly, suddenly when we decided to nationalize BRINCO, to buy it out, the monies that would

Mr. Flight.

have been spent over the next two or three or four years was used for that purpose, Mr. Speaker. And today - it would have been unpatriotic to have opposed that move two years ago. But today we are seeing the fruits of the financial capers of this administration. When some hon. member on the other side rises to speak, I would like for him to point out to the House one benefit that the \$250 million that has been sunk into the Upper and Lower Churchill at this stage, one benefit for the people of Newfoundland. All that has happened, Mr. Speaker, is that we have restricted the borrowing power of this Province, we have restricted the Province's ability to prime the private sector, we have restricted the Province's ability to provide the essential services, and in denying that ability, we have guaranteed that there will be massive unemployment in this Province for years to come. So, Mr. Speaker, so much for the borrowing, the borrowing and the financial policies of this administration.

Now, Mr. Speaker, what will the money be used for. You know, we are sitting there with \$50 million. Will the Cabinet now say the heck with restraints, we have \$50 million, let us go on a spending binge? You know, spending money like drunken sailors. Will it be used to finance another caper like the Norma and Gladys? Will it be used for grants to organizations over which the administration have no control at all?

AN HON. MEMBER : The Buchans Boys' Club?

MR. FLIGHT: Some of it, I hope, Mr. Speaker, just a little wee bit. Will it be used to keep the government jet flying, Mr. Speaker? Will it be used to keep the fishing camps going, Mr. Speaker? What will the money be used for?

MR. MURPHY: To a point of order. I hear this about the government jet. The government has no jet to my knowledge.

MR. NEARY: Mr. Speaker, to that point of order, Sir. The government does have a jet, Sir, whether the minister cares to admit it or not. Churchill Falls Corporation is owned by the government, owned by the people of this Province, and they have a jet. So indirectly

Mr. Neary.

the government has a jet, which they use incidentally for going back and forth for grocery shopping between Newfoundland and Montreal.

MR. BRETT: The Leader of the Opposition uses it as well. Too bad you do not get the opportunity, too.

MR. NEARY: Excuse me, Mr. Speaker, I believe Your Honour has to rule on the point of order, one way or another.

MR. SPEAKER (Capt. Winsor): The Chair thinks there is no point of order.

MR. FLIGHT: Thank you, Mr. Speaker.

You know, Mr. Speaker, it is possible to be accused of being irresponsible in some of the things that might be said in this debate. But I think it is a legitimate concern to ask this administration, Is the fact that they went to Alberta to borrow \$50 million - that they are not going to use, so they say, for a year - is that an indication, Mr. Speaker, that they are afraid that they may get the cold shoulder in the markets that they normally borrow in? You know, is our credit still to a point in the European markets or the American markets that we would have no problem borrowing? Or are you getting in ahead of the storm, Mr. Speaker? I have heard the hon. member for Twillingate (Mr. Smallwood), the first time he spoke in this House last year, he indicated there was a word he would not use, he was too much of a patriotic Newfoundlander, he was afraid to use it, it made him cringe. And the word, Mr. Speaker, was 'bankruptcy'. It came out after. And there are some real concerns from responsible people in this House and outside this House that Newfoundland is reaching the point of no return, that they are getting to a point that they cannot borrow any more money.

Mr. Speaker, having tripled the provincial debt in five years, six years now almost, what have this administration got to show for it, Mr. Speaker? I can stand here and justify the \$1 billion provincial debt under the previous administration. I can point to the

Mr. Flight.

schools, the churches, the hospitals, the rural electrification, the Trans-Canada Highway is the ten per cent, municipal financing, It was there. There were things happening, you know. There was an oil refinery there. The Linerboard mill was there. Tell me one asset that this Province has today as a result of almost tripling the provincial debt, one thing that points to how that \$2 billion was spent. It was spent in interest, Mr. Speaker, in lots of cases.

MR. FLIGHT: The monies we are borrowing today will be spent servicing the debt. We are borrowing \$50 million from Alberta of which the most of that money will have to be spent servicing the debt.

Now when the Minister of Finance stands in his place in this debate I would expect him to tell this hon. House where the money will come from - unless we see a move made to generate revenue and generate income in this Province, where will the money come from to service the debt a year down the road, two years down the road?

Mr. Speaker, I assure you the hon. member for St. John's North (Mr. Carter) that I had no intention at this stage -

MR. ROBERTS: Unless he provokes.

MR. FLIGHT: - of going unlimited. I have said, I suppose, what I want to say. I wanted to point out the arrogance, Mr. Speaker, of this government, the arrogance of this administration, to borrow \$50 million that they can use for any purpose. Number one, whether or not they contravened the Loan Act is not the issue. The fact that this House was sitting, it displays their lack of concern for this House, their arrogance, Mr. Speaker, and I, if for no other reason, the finances of this Province, Mr. Speaker, is the responsibility of this House of Assembly and if for no other reason that to point out their complete lack of concern for this House, their complete arrogance, then I will vote for this sub-amendment. Thank you, Mr. Speaker.

MR. NEARY: Mr. Speaker.

MR. SPEAKER: The hon. member for LaPoile.

SOME HON. MEMBERS: Hear! Hear!

MR. NEARY: Mr. Speaker, I find myself in a similar position as the hon. member for Windsor-Buchans, Sir, and I am afraid that I am going to be forced to vote in favour of the sub-

MR. NEARY: amendment. It is a very good amendment, Sir, very timely indeed. It could not come at a better time, when we find the administration going off and negotiating, the Premier negotiating privately with the Premier of Alberta for a \$50 million loan for this Province.

Now, Mr. Speaker, the first question that popped in my mind is why should the Premier of this Province, and probably without prior consultation with his Cabinet -

MR. DOODY: You are wrong.

MR. NEARY: Well maybe I am wrong. The Minister of Finance can correct me when the minister stands. Mr. Speaker, I will deal with Dick Greene's buddy in a few minutes, Sir, if the hon. member would just relax and enjoy himself.

Mr. Speaker, I doubt very much if there was prior consultation with the Cabinet. The Premier went off and probably indicated to Premier Lougheed the difficulties that this Province were having and was going to have in borrowing in the future, and probably begged Premier Lougheed, over a meal one evening said, "Look Premier you have got all kinds of money out here as a result of your tax that you put on gas and oil going down in the United States and the royalties that you put on your oil and gas at the well head. You have got more money than you know what to do with and we are down there, we are paupers. And it looks like we are going to run into difficulty in the next fiscal year in our borrowing, so can you let us have a few dollars?"

Mr. Speaker, I do not suppose anybody in this House is naive enough to think that Premier Lougheed just out of a clear blue sky, out of the generosity of his heart said to the Premier of this Province, "Look, we are going to loan you \$50 million. You have not asked for it but we are going to give it to you," without a hint, without even a subtle approach to the Government of Alberta, without even just giving them a little

MR. NEARY: big broad hint that we need the money, we are desperate. As my hon. friend just said, probably headed into bankruptcy. And Premier Lougheed, being a buddy of course of our Premier - I do not know if they attended the same school or not - said, "Sure boy, I will bail you out. We will give you \$50 million but we are going to charge you ten per cent."

Now, Mr. Speaker, is that such a good deal? Is it a good deal, Sir? The minister told us there a couple of weeks ago that over in Europe I believe they negotiated a deal for slightly over nine per cent.

MR. DOODY: That is a twelve year money.

Mr. Neary:

Twelve year money, This is twenty-one year money which will cost the Province more, \$5 million a year. It will cost this Province \$120 million roughly, Sir, \$120 million to pay back that loan to Alberta. Ten per cent is not a great triumph, Sir. It is not a good deal for this Province.

Quebec, Mr. Speaker, Quebec, which is threatening separating from Canada, can borrow money at 9.25 per cent, 9.50 per cent, 9.75 per cent, so, Sir, the interest rate on that loan is too high. But that is not the most significant point. I think the most significant point of this borrowing, Sir, is that it is undermining the authority of this Legislature, that the government is dragging a red herring into this issue by saying, Well we did not borrow all the money we needed that we could have borrowed in the last fiscal year. Sir, what was the rush? Why was the matter so urgent? Would not Premier Lougheed have agreed to loan the Province the money a month from now? Two months from now? What was the rush, Mr. Speaker? The rush was, Sir, to try to create a good impression in the money markets of the world, especially North America. That was what the rush was, Sir, to get the Province off the hook because their reputation in the money market was so bad.

It did not make one bit of difference, Mr. Speaker, if that \$50 million could have waited until the new budget was brought down, and the minister told us the budget was going to be brought down the end of February, in all likelihood, and here it is now the 5th. of March, and we still have not got the budget and no indication of when we are going to get it. It will probably be a couple of more weeks, two or three more weeks before the budget is brought down.

So there was no rush, Sir. It was not a matter of urgent importance. The agreement between this Province and Alberta could have waited, and it could have been debated here in the Legislature, and we could have strived for a better bargain with the Government of

Mr. Neary:

Alberta. Mr. Speaker, what a contrast between this loan that we are getting from the Province of Alberta and the money that the minister is taking out of the pension plan contributions that are made by the employees drawing their salaries indirectly and directly from the Public Treasury. Here we are, Sir, paying 10 per cent interest to a Province that has so much money it does not know what to do with it—and they are talking about being patriotic, we are trying to keep Confederation together—and that Province charging us 10 per cent. If they had given us 2 or 3 or 4 per cent, 3.50 per cent I might have said it was a good deal, Sir.

They are the wealthiest province in Canada today, and we have to pay them 10 per cent on that \$50 million loan, while the minister himself, Sir, is running into all kinds of snags, all kinds of problems, all kinds of difficulties with employees' pension plans. And the minister is taking the contributions from the employees' pension plans and using it in the general revenue of this Province without one cent interest, without paying one cent to the employees.

MR. MURPHY: That is not a fact, Sir.

MR. NEARY: That is a fact, Sir. They are not getting any interest on their contributions, Sir.

MR. MURPHY: That is not a fact.

MR. NEARY: Mr. Speaker, I submit there are no interest rates. The Minister of Consumer Affairs and the Environment obviously is the expert. Well perhaps the -

MR. MURPHY: No, I know a little about it.

MR. NEARY: - perhaps the minister will get up, Sir, in this debate, if the minister is allowed, if they are not all muzzled in this sub-amendment, the minister may be able to get up and enlighten me as to how much interest the government is paying for using the employees' contributions towards their pension.

Mr. Speaker, I submit that the government's sticky fingers are in the cookie jar of the pension plan contributions, and they are being used.

MR. NEAPY:

The minister knows that his colleague is not right. The pension plan is not funded in this Province. There is going to be more trouble. But it is a funny thing, Mr. Speaker - I might draw it to the attention of the House - that over the last couple of years, in the last year or so the big problem in negotiations between employees and the Treasury Board and the minister, the controversy seems to have developed over pension plans and pension rights, not wages, not sick leave, Sir, not fringe benefits, but over pension plan rights and pension plan contributions. That should indicate something to the minister, Sir. It should indicate that it is about time that this government, Sir, established employees' pension contributions and employees' rates of pensions on an actuarially sound basis.

MR. J. CARTER: Just pronounce actuarial.

MR. NEAPY: I can pronounce, Sir, Dick Greene. I can pronounce skulduggery. I can pronounce savoury. I can pronounce absenteeism. I can pronounce members who do not do the jobs for their districts. I can pronounce, Sir, under-the-table deals. I can pronounce corruption.

MR. SPEAKER: Order, please!

I would request the hon. gentleman to return to the sub-amendment, please.

MR. NEAPY: Yes, Mr. Speaker. That all has to do with the sub-amendment - corruption, patronage, political patronage, corruption of the worst kind. Mr. Speaker, what guarantee do we have that more of this money, this \$50 million, is not going to go out to my hon. friend's buddy, the former bagman for this party, and to Scrivener Newfoundland Limited that ripped off the people of this Province from anywhere to \$7 million to \$9 million when that member is supporting that administration. If I had my files here, Sir - I sent for them - and I guarantee you it is about time now we got this Health Sciences Complex thing out in the open.

John, would you check with my secretary to see if she brought the file up. We will put it on the table of the House once and for

MR. NEADY:

all and watch that - you cannot refer to an hon. member as a rat, Sir, I realize that - but just watch the rats leave the sinking ship.

AN HON. MEMBER: Table it.

MR. NEADY: I am going to table it, Sir.

MR. J. CARTEP: How many years ago?

MR. NEADY: How many years ago. Mr. Speaker, over in New Brunswick they are talking now about corruption, rip-offs, skulduggery. They are talking about it going back to 1972. Well I will go back to 1973 or 1974 when the hon. member was a minister of the Crown.

MR. J. CARTEP: Table it.

MR. NEADY: I am going to table it if I ever get it. I will put the member on the table before I am finished with him, Sir.

But, Mr. Speaker, talking about the prevailing rates, Sir, of contributions and benefits paid to the employees, it is about time that the government put it on an actuarially sound basis. And then if it wishes, Sir, if the government wishes to borrow from these funds that they pay the prevailing rates of interest for such loans. Mr. Speaker, I would submit that the pension plans are presently being mishandled by the administration.

I would submit, Mr. Speaker - I do not know because I cannot support it, I do not think the minister could contradict me - but I would say, Mr. Speaker, that forty-five, even less than that, I would say twenty to twenty-five years from now the employees' pension fund will be bankrupt.

MR. DOODY: ^{Retiree} (Inaudible) ^{Right} ^{claim}

MR. NEADY: Well whatever it is, whatever the contributions, whatever they pay in. Mr. Speaker, what I am saying is that when the employees twenty-five years from now, the number of employees forty-five years from now go for their pensions, they will find that the cupboard is bare.

MR. DOODY: According to the other one, your hon. colleague, we will all be bankrupt by then.

MR. NEADY: Well maybe we will, Mr. Speaker, but the cupboard will be bare. And I would suggest, Sir, that it is

MR. NEARY: high time, Mr. Speaker, high time that the government, the Minister of Finance, Sir, take steps to fund the employees' pension plans, even if it has to be done out of this \$50 million that the minister is presently borrowing from the Province of Alberta.

And in future, when the minister does get his sticky little fingers down in the contributions from the employees -

MR. DOODY: Now, Mr. Speaker, I have to rise on that one. In all honesty, this minister has never put his sticky little fingers into anybody's contributions and I want that stricken off the record right now.

MR. J. CARTER: Name him. Apologize.

MR. DOODY: And I want an apology as well, Your Honour.

MR. SPEAKER: The point brought up by the hon.

Minister of Finance is certainly a valid one. Anything stated which either directly accuses or suggests that kind of impropriety would be out of order. I ask the hon. gentleman to withdraw it.

MR. NEARY: Yes, Mr. Speaker, I withdraw it. While I do not care what kind of fingers they are, but the minister just leave his hands off the employees contributions.

MR. DOODY: Sir, that is not a withdrawal. This is just beyond comprehension. Is the House going to allow the hon. gentleman to leave on the record the implication that I have had my hands on employees contributions? I think that has to be -

MR. NEARY: As Minister of Finance, yes.

MR. DOODY: Do not whiffle whaffle on this one.

MR. NEARY: I am not whiffle whaffling.

MR. DOODY: I want this withdrawn Your Honour -

MR. NEARY: Do not whiffle whaffle on the Waterford Hospital either.

MR. DOODY: - and I want an apology, or I am walking out of this House here this morning.

MR. SPEAKER: Order, please!

MR. NEARY: Mr. Speaker, I have already withdrawn the statement.

MR. SPEAKER: Order, please! After the first point of order I did certainly hear a withdrawal from the hon. member, then I heard a rephrasing or a paraphrasing instead of fingers, reference to hands and certainly where there is any likelihood of imputation or dishonesty in that I think there should be no doubt left, it should be withdrawn and no suggestion indirectly or in other words.

I would ask the hon. member to withdraw it unequivocally and not to make further references or paraphrasing of the remark objected to.

MR. NEARY: No, Mr. Speaker, there was no intention on my part to accuse the minister of skulduggery, The minister is twisting, Sir, twisting what I said and I withdraw it, of course, any motives that I attached to the minister, Sir. But as the Minister of Finance, Mr. Speaker, that minister is responsible for the employees' pension contributions. And as Minister of Finance, Sir -

MR DOODY: Mr. Speaker, in all honesty and I very, very rarely get upset or I very, very rarely rise and I very rarely get involved in this sort of discussion, but I am not satisfied that it has been stricken from the record of this House the implication that I have had my sticky fingers, or my sticky hands as the hon. member refers to them. It is still on the record of this House and I want him to apologize and I want the hon. member to withdraw it, as you have suggested yourself, Sir, irrevocably, and I want it done, Sir, I think and I deserve to have it done.

MR. NEARY: Mr. Speaker, I have already, Sir, withdrawn it. I am not going to crawl to the hon. minister immaterial of what

MR. NEARY: he thinks, Sir. He may be hurt but he will be hurt more before I am finished, before the day is over.

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

MR. ROBERTS: Mr. Speaker, the Minister of Finance has raised a point of order. It is I think the second or third time he has raised it and I can certainly understand, I think any one of us would be offended if an implication or an imputation or a statement were made questioning our personal honesty. And my friend from LaPoile (Mr. Neary) is certainly saying some hard things about the minister's conduct of office. But I do not think anybody feels he is questioning the minister's personal honesty or integrity. And, Mr. Speaker, Your Honour ruled that the hon. gentleman's comments from LaPoile were certainly open to that interpretation. The hon. gentleman withdrew them. So that should end the matter. The comments cannot be stricken from the record. I mean they are in the Hansard and the hon. gentleman from LaPoile has withdrawn them as he was required to by Your Honour. He then rephrased them and Your Honour said that was out of order and directed him not to refer to it again and I have not heard him refer to it again. I do not think he is required to apologize. Your Honour did not request him or direct him or tell him he must apologize. So really the matter should be settled there.

I would submit it is quite in order to say that the minister in his ministerial capacity is not using funds the way they should be used. That is a matter of opinion, a matter for debate. It is certainly completely different from saying the minister has, you know, in effect taken funds for his own use, whatever name is put on it. And if the gentleman from LaPoile left himself open to that interpretation I think he has cleared it up by doing as Your Honour asked him to do and withdrawn it. And I think we should get on with the debate

MR. ROBERTS: and let the gentleman from LaPoile say what he wishes and then other hon. members, subject to the same rules as the hon. gentleman from LaPoile is subject to, can say what they wish.

MR. HICKMAN: Mr. Speaker.

MR. SPEAKER: The hon. Minister of Justice.

MR. HICKMAN: To that point of order. The hon. Leader of the Opposition, I suggest, is begging the question. Your Honour directed the member for LaPoile (Mr. Neary) to unequivocally withdraw that remark that Your Honour placed and this has not been done.

MR. NEARY: It has been done. You were not even in the House.

MR. HICKMAN: I was in the House, and I was listening very carefully, and I would suggest, Your Honour, that the edict from the Chair has not been complied with.

MR. SPEAKER: I previously, when the point came up the first time, directed the hon. member to withdraw, which he did. There was then a second point, and I pointed out to the hon. member that he would be out of order to suggest or imply indirectly what the rules would not permit him to allege directly, and I understand that he did withdraw then those remarks. While he was speaking, as I recall his words, he had withdrawn them, and then ended up with a but, and I do not know obviously what the hon. member was going to say after. Up to now - I mean, any number of things can follow after the word 'but'. But I think it is extremely important to emphasize that with respect to a person's personal capacity or motive, then there should be no references directly or indirectly to suggest any impropriety. And I wish to suggest the distinction that an hon. member has the obligation of making in criticizing a minister for the conduct of his department, in his capacity and exercise of his judgement as a Minister of the Crown for the government, and personal reflections. And it is the latter which are totally out of order. To the best of my understanding the hon. gentleman has in fact withdrawn. The last word I heard him say was 'but'. And to now he has said nothing after 'but'.

MR. SPEAKER: The hon. member for LaPoile.

MR. NEARY: Mr. Speaker, I will eliminate the word 'but'. But the Minister of Finance, Sir, is responsible to this House, has to answer to this House for the employees' pension plan contributions. And I am suggesting to the minister that the government or the ministry - I do not care which, Sir - never again use employees' pension plan contributions without paying interest to the employees, that it be funded. And I know the minister is very sensitive these days. They are smarting under the questioning, the cross-examination, and the criticism the minister has been getting in the last couple of weeks, most of it self-inflicted. It would be far better sometimes if the minister said, "No comment," instead of trying to be witty and smart alecky.

But, Mr. Speaker, this \$50 million. Mr. Speaker, from what I have seen of the performance of this administration over the last four or five years, Sir, why you would hardly give this hon. crowd a five cent piece let alone \$50 million. Mr. Speaker, the hon. gentleman who keeps interrupting me is supporting an administration, I would submit, that knows more about political patronage, Sir, than the former administration ever heard. And I think I can give the House an example, Sir. That is why we should not put that \$50 million in the hands of the Minister of Finance and the gentlemen who make up that administration at the present time. They cannot be trusted, Mr. Speaker, and I can give the House an example.

MR. DOODY: Table it.

MR. NEARY: Mr. Speaker, I will table it. Mr. Speaker, I asked the hon. Premier a question today during the Oral Question Period about the financing of the Health Science Complex and the Internal Committee that the Premier set up last year to look into consulting fees, the engineering fees, and the management fees, and other arrangements at the Health Science Complex, and the Premier

Mr. Nearv.

brushed it off by saying, "Oh, yes, the committee was set up, and they have done their work, and there is no need for any further investigation." Mr. Speaker, before we all the \$50 million to fall into the hands of the present administration I would like to tell the House that I am dissatisfied with that answer,

MR. NEARY: and I am not satisfied that the matter has been thoroughly investigated, and I think, Mr. Speaker, now that we have a scandal over in New Brunswick over party contributions and so forth, that it is about time, Mr. Speaker, that we protected the taxpayers of this Province and brought the matter out into the open and ask for a royal commission to look into the spending at the Health Sciences Complex and at the Carbonear Hospital.

Now why do I say that, Mr. Speaker? I say it because I have here in front of me, Sir, an affidavit that was made out a few years ago - as a matter of fact, the date was 1974. They are talking about corruption and scandal in New Brunswick in 1972. Well, Sir, all you have to do is go back three years in Newfoundland, 1974, when a gentleman who was a former manager of Scrivener (Nfld.) Limited made an affidavit, Sir -

MR. J. CARTER: Mr. Speaker, to a point of order.

MR. SPEAKER: Order, please! A point of order has come up.

MR. J. CARTER: Mr. Speaker, the hon. gentleman has some document or something or other over there on his table which he has been quoting from, alluding to and about to quote from. I maintain, Mr. Speaker, that it is an abuse of the privileges of this House for him to be allowed to do so unless he is prepared to table it.

MR. SPEAKER: Certainly if the hon. member is going to quote from a document, then the hon. the member for St. John's North (Mr. J. Carter) is correct in saying that it must be tabled. If an hon. member has something and uses it for notes then I do not think it is required. If the hon. gentleman is going to make quotations from it, then it should be tabled so that all members have access to it.

MR. NEARY: Thank you, Mr. Speaker. Well, Mr. Speaker, I mentioned a few moments ago that I was dissatisfied with the way that that investigation was carried out by the Internal Committee.

MR. NEARY: I think the Premier should have gone a step further, Sir, and I recommended to the hon. the Premier on May 18, 1976, I wrote the hon. Frank D. Moores, M.H.A., P.C., Premier, Government of Newfoundland and Labrador:

"Dear Mr. Premier:

Naturally I welcome your decision for an investigation into the administration of the management firm hired by your predecessors in government to supervise construction of the Health Sciences Complex. I do however think it would be much better, both as evidence of sincerity on the part of your own administration and for the people of Newfoundland, if you added to the investigating committee at least one member of the staff of the Auditor General's Department.

I would also suggest that your terms of reference to the Committee indicate an explanation as to why some weird procedures, on the part of ministers, were used which more or less gave Scrivener (Nfld.) Limited a free hand to operate without any contract until the government were forced to take over and correct this situation.

It would also, in my opinion, be highly advisable to include scrutiny of other Scrivener projects in this Province, with special attention to the Carbonear Hospital, rather than having to go through the same procedure again at a later date. Why not clear up", I said, "the whole action, the whole matter of the Scrivener stewardship over the expenditure of millions of federal and provincial dollars in the last four or five years?"

And the Premier wrote me back May 14, and he said. "Thank you for your letter of May 10, 1976, with respect to the Health Sciences Complex. I will take into consideration your suggestion that a staff member from the Auditor General's Department be added to any investigating committee. In addition, government will take into consideration your two further suggestions

MR. NEARY: with respect to Scrivener Products Limited before any terms of reference are indicated to the Committee."

Now, Mr. Speaker, I learned this morning during my question to the hon. the Premier that this was not done. This was completely ignored and, therefore, Sir, I would say that the internal investigation was a whitewash job.

Mr. Speaker, I also wrote Mr. Ron. S. Basford, Q.C., M.P., the Minister of Justice and Attorney General in the Government of Canada, in connection with this whole matter of the Health Sciences Complex spending.

MR. SPEAKER: Order, please!

I should draw to the hon. gentleman's attention that his remarks have to, and his participation in the debate, has to be on the topic of the sub-amendment, the regret of the ministry in agreeing to borrow \$50 million without the prior opportunity for debate in the House. He will have to keep his remarks related to that subject.

MR. NEARY: Yes.

MR. SPEAKER: The hon. the member for LaPoile.

Mr. Neary:

Of course, Mr. Speaker, and I am making a prima facie case, Sir, of why the administration should have come to this House, and why they should not be given this \$50 million, because they are completely irresponsible. And I am making a case of why we should not put any more money in the hands of this administration unless and until, Mr. Speaker, they agreed to a royal commission to investigate the alleged skulduggery that went on over at the Carbonear Hospital and over at the Health Science Complex.

MR. J. CARTER: Table the document.

MR. NEARY: So I wrote the Minister of Justice, Sir, Mr. Basford, and I said since Federal funds provide the principle source of finance for the Medical Health Science Complex -

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

MR. SPEAKER: A point of order has come up.

MR. HICKMAN: Your Honour has ruled-or the Chair has of your own volition that the hon. gentleman from LaPoile (Mr. Neary) reading a letter, commencing to read a letter to the Attorney General of Canada is not relevant to this debate, and I gather it is the same letter that the hon. gentleman is now reading again.

MR. ROWE: Mr. Speaker, to that point of order.

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

MR. F. ROWE: Your Honour did advise the member from LaPoile to keep particularly to the topic, and the member from LaPoile did get up and say that he was using this as an example of why the government should not be trusted with this \$50 million. And the member continued on with his argumentation and he did not get interrupted by the Speaker, so I assume that he was in order.

MR. SPEAKER: Certainly the general subject of the topic of the sub-amendment is the action of the ministry in agreeing to borrow \$50 million without prior opportunity for debate in the House. And as I pointed out debate would have to be relevant on that. The hon. member then submitted that it was his intention to show reasons why he was supporting the sub-amendment or why the government should not have

Mr. Speaker:

done what it did; and if the remarks are related in that manner then he would be in order, if it were a general debate on the Health Science Complex then obviously that would be irrelevant. But as long as the hon. member keeps his remarks related to the subject matter then it would be in order.

The hon. member from LaPoile.

MR. NEARY: I submit to Your Honour that I am again, and to the House, and I know that the Minister of Justice does not want to hear this, Sir, the Minister of Justice knows what is coming. The Minister of Justice will try all his parliamentary arguments, and technicalities that he wants, but the hon. gentleman is not going to shut me up.

PREMIER MOORES: Let us do it outside of the House.

MR. NEARY: Mr. Speaker, I - I am doing it in the House, Sir, which is my prerogative, And I will do it outside, I have already done it outside. Mr. Speaker, I submit that I am making a prima facie case of why this hon. crowd should not be entrusted with \$50 million. That there is too much patronage, and there is too much skulduggery, and there are too many underhanded things going on, Mr. Speaker.

MR. HICKMAN: Mr. Speaker, on a point of order.

MR. SPEAKER: On a point of order.

MR. HICKMAN: Mr. Speaker, the hon. gentleman has, in my opinion, cast reflection upon this House and about hon. members of this House. For any member to stand in his place and say that the hon. gentleman opposite are not to be trusted with the money because of skulduggery is unquestionably one of the most unparliamentary utterances that can come from any hon. gentleman. And I refer Your Honour to page 100 of Beauchesne, Paragraph 111 (h) "Imputations against members of corruption in the execution of their duties." Now, Mr. Speaker, - and there are a dozen others, thousands of them.

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

MR. SPEAKER: To the point of order, the hon. member.

MR. NEARY: Mr. Speaker, the hon. gentleman did not give me a chance to finish my sentence. I got cut down in full flight, Sir, and if the hon. gentleman would just sit back and wait for me to finish the sentence perhaps the hon. gentleman would be satisfied that I am completely in order, Mr. Speaker.

MR. SPEAKER: On this point of order. There is no doubt that it is quite out of order to make any personal attack or any imputation of motive, allegation of dishonesty, and I would submit that the allegation of skulduggery, if that refers to the action of members of the House, which would include ministers, then it would be improper. It would be out of order. And I again draw to the hon. gentleman's attention the distinction between a criticism of members for exercise of their ministerial responsibility in administration of government, and personal references, the latter being out of order. Now the term skulduggery, if that were to be applied to hon. gentlemen, then it would be wrong.

The hon. member from LaPoile.

MR. NEARY:

Mr. Speaker, I was about to say that as a result of the sloppy business procedures, the sloppy way that this administration carries out its business, that outside of this hon. House, Sir, there are a number of people, because the thing is wide-open, Mr. Speaker, the thing is wide-open - and I have a good reason for saying that, I have the example here in front of me - for skulduggery, Sir, by people outside of this House.

Mr. Speaker, I wrote Mr. Basford on April 15, 1976 in connection with the affidavit that I have on my desk. And I said, "Since federal funds provide the principal source of finance for the Medical Health Sciences Complex under construction here in St. John's for the medical faculty of Memorial University, the enclosed affidavit by a former executive for the project managers might be of some interest to you. There may or may not be a possible mispending of federal money both in the form of kickbacks to individuals and to the P.C. Party of Newfoundland, and also through the failure to call public tenders.

"It would appear that in the interests of the people of Canada and honest citizens of this Province, Mr. Davidson's statement, (Mr. Andy Davidson, a former project manager over at the Health Sciences Complex) in March, 1974 should receive more than just passing references to determine if an investigation is necessary and the need for appropriate action by your department for any possible subversion of public funds."

Mr. Basford wrote me back on May 10 and he said, "Dear Mr. Neary, this is to acknowledge with thanks your letter of April 15, 1976 with enclosure respecting the construction of the Medical Sciences Complex at St. John's. The matter you have brought to my attention is indeed serious. I have referred the enclosed to my officials in the Department of Justice for their further consideration. Once again, thank you for bringing this matter to my attention."

MP. NEAPY:

Now, Mr. Speaker, there is no way, Sir, that I can agree after - and that is only part of the information, Sir, part of the documentation - there is no way that I can agree to allowing this administration to have another \$50 million. I could not allow them, I could not in conscience, Sir, allow them to have another nickle unless they can prove to this House that they are capable of looking after that \$50 million and to see that it is spent wisely in the interests of the people of this Province and the people of Canada.

Now, Mr. Speaker, we have heard a lot over the last couple of years about reforms in politics in this Province and so forth. We have heard about and we have seen court cases develop over - not by any member sitting in this House but by people again outside the House. Some of them now are incognito. Some of them are not allowed back into Canada. And we all remember the witch hunt that the administration went on after January 18, 1972 when they formed the administration of this Province, the great witch hunt that took place resulting in some of these people now being not allowed back into Canada.

After that, Sir, we heard all about party reform, about political reform.

MR. HICKMAN: We want them back in Canada. They are welcome back.

MP. NEAPY: They are welcome back. Mr. Speaker, we have heard all about reforms in politics in this Province and so forth and so on. Well, Sir, there has been no evidence on the part of the administration, although we have heard a lot of lip service, that they are going to reform our political system that has over the years become so corrupt that the - not the administration now, our political system, Sir - has become so corrupt that is it any wonder that the ordinary person has become cynical about their politicians and have become disillusioned and disenchanted with the House of Assembly and with their government.

Mr. Speaker, I thought for a while that there was some hope that we would reform the political system of this Province.

MR. NEARY: As a matter of fact, Sir, the present administration campaigned in two or three elections on political reform. No evidence of it, Sir, and another reason why, Mr. Speaker, another reason why I am not prepared as a member of this House, as an elected representative of the people of this Province, to allow another \$50 million to go into that kind of system, Sir, where a lot of it will be picked up along the line by people outside of this House in forms of political patronage, graft and corruption.

Mr. Speaker, we all know that the political system in Canada, in Newfoundland, is more corrupt than it is in the United States, in my opinion. Political parties get their donations from big business, from money bags -

MR. DOODY: Do not be stupid. It is brin bags.

MR. NEARY: Mr. Speaker, although very rarely do you get a documented case, although it is very rare, Sir, in the history of politics in Canada that you get a complete documentation of contributions to a political party, well Sir, I have got one in front of me. I have one in front of me, one Mr. Richard Greene was the bagman for the PC Party. Mr. Richard Greene is alleged to have done some weird and wonderful things to collect money for the administration.

MR. DOODY: For the Party.

MR. NEARY: For the Party, rather.

Mr. Speaker, according to what I have been told that in the period between 1971 and 1972 general elections in Newfoundland - I only have five minutes left, Mr. Speaker, so I will have to come back to this again at a later date.

MR. ROBERTS: Sub-amendment.

MR. NEARY: But I have no intention of dropping it, Sir, because of the situation that developed over in New Brunswick yesterday when we heard about all the graft and corruption and skulduggery, and dishonesty that is going on in that Province, Mr. Speaker. I feel morally obligated, Mr. Speaker, I am bound in conscience to protect the taxpayers of this Province.

MR. DOODY: Is that the one the Daily News referred to?

MR. MURPHY: At least say it.

MR. NEARY: I am going to do it, Sir, but, Mr. Speaker, and I am prepared to table all the documentation in connection with this -

MR. HICKEY: At some future date.

MR. NEARY: No, Sir, not at some future date. Mr. Speaker, I have in front of me copies of cancelled cheques. I have an affidavit from a former manager of the Health Science Complex. I was invited to go and see the hon. the Premier and the Minister of Finance down in the private dining room where they tried to brainwash me. I had Mr. Richard Greene come to my house and spend three and a half hours trying to brainwash me.

MR. DOODY: They were looking for it; they were not trying to wash it.

MR. NEARY: And, Mr. Speaker, I have certain other documents and certain other letters in connection with this very serious matter, very serious matter of corruption, that I am prepared to lay upon the table of the House. I have done my homework. I wrote the Income Tax people about this and I have done just about everything there is to do, Sir. I understand the news media - you talk about timidity, Sir! the news media have been in possession of this information for the last two years and have done nothing about it. As a matter of fact I was approached once by the CEC from Toronto and asked to go to Toronto and do a story on this but I would not do it. If it is going to be done it will be done in this Province.

Mr. Speaker, there is need for a royal commission, and I am prepared to withhold these documents if the Premier and the administration will agree to set up a royal commission. If they do not want personalities and names and the facts brought out in the House, brought out in the newspapers, then

MR. NEARY: appoint a royal commission. And I will give them a reasonable time to do it before I come back on this debate again.

MR. ROBERTS: Twenty-four hours?

MR. NEARY: No, not twenty-four hours, I may not get the chance to come back in the debate that soon. But if they were smart, Sir, they would clear the air by appointing this royal commission that I am asking for for the last three or four years, and get this matter cleared up for once and for all in the interest of protecting the taxpayers of this Province.

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

MR. W. MARSHALL: Mr. Speaker, I want to address a few words on this particular subject, but before I do, I would first of all like to purge myself of my political feelings so that I can become more objective afterwards. To hear the hon. members of the official Opposition castigate or question in anyway the fact that monies have been borrowed without legislative sanction, to hear the hon. member for LaPoile (Mr. Neary), who was a member of the former Liberal administration, castigate this government for allegedly not obtaining approval of this House before it borrowed, to hear the hon. member for LaPoile, who was a member of a previous administration, castigate this government for not funding the pension plans when the pension plans are as they were in the days of the previous administration for quite some period of time, I can only liken it, Mr. Speaker, to be kindred to a person like the famous Happy Hooker writing a thesis on the virtue of chasity. Because, Mr. Speaker, that is how ridiculous the position is and the point is.

But the issue itself is a very important one.

It is alleged that the government, in its recent borrowing of \$50 million from the province of Alberta, has in effect exceeded the authority which it has in order to borrow, that it ought to have brought it to this House of Assembly. Now before we get into that perhaps we should really - it would be beneficial to this House - go over the actual situation with respect to borrowing as set down in the Financial Administration Act. And I might state that this act was passed in 1973, and was the act that was introduced in this House for the purpose of ending the practice of secret Cabinet borrowings. Before this act was passed, as a result of an amendment that was brought before this House in 1966 by the hon. gentlemen there opposite when they were here present, the Cabinet had the authority to borrow any amount of money it wished in secret Cabinet session, and

Mr. Marshall.

actually did do it year after year. Consequently the public debt mounted year after year and the public, if it was informed, was only informed after the fact. In 1973 this particular administration - it was at a time when I was, perhaps it is fair to say, a little bit closer to it or nearer to it than I am now-passed an act in the Financial Administration Act which provided that no borrowings could be effected without complying with Section 37 (1), with the exception of certain other sections. And what that meant was that there could be no raising of money by this Province by the Lieutenant Governor-in-Council, that is, the Cabinet, unless it was in conformity with some provision of this act, of an act of the Legislature. In other words, the Financial Administration Act gave it power to borrow for general revenue to meet expenditures, and there were other acts as well that I understand give power to borrow to Crown corporations, the Hydro Act and what have you. But generally speaking, this act really cut off this practice of secret government borrowing. Now I know all members in the House agree that this was a good move. There were certain exceptions, and I mention those, because I will allude to them when I make reference to the bill that was passed last year. Under Section 43 of the act, we were given power, the government was given power, to borrow without reference to the Legislature for changing in the characteristic of the funded debt. And the rationale behind this was that this was all right, because of the fact that it did not increase the debt load of this Province. All you were doing was just changing the characteristic of the debt.

Section 44 of the act also made another exception to allow the Lieutenant Governor-in-Council to borrow for purely temporary purposes. And, of course,

MR. MARSHALL:

this is necessary in order to meet any particular emergency which may exist as a result of your coming to the end of the amount you are allowed to borrow under the Loan Bill or for other circumstances. So there had to be a power to borrow for temporary purposes. But this was only then for temporary purposes.

The other exception is contained in Section 51 of the Act to give the government power to borrow to meet its guarantees, because again the whole basis and philosophy of the change was that this legislature or previous legislatures would at one time have to approve the money which had been borrowed and the purposes for it. If it came to refunding or repaying guarantees, or in the case of an emergency for temporary purposes, then you could borrow in the Cabinet. But what the effect of this legislation did - and I am very, very familiar with this legislation - was to restore to the government - or to the legislature the power to borrow.

Now since that time Loan Bills have been passed by the House and I have no illusions or pretensions in this particular Province, in the state of the lack of any type of political consciousness on the part of the people, that this has been a move that everybody waits to see how much we borrowed or the significance of the Loan Bill or what have you. After all, if you do have a Province where a former leader can get up - we may debate the amount - a former leader of the government can get up and say that public monies were borrowed to repay private donations during his twenty-three years of trusteeship, and nobody in the Province really cares too much about it, we cannot expect them to get too excited about the effect of this Loan Bill. But it certainly is a beneficial bill and ever since that amendment has been passed, Loan Bills were brought before this House to authorize the expenditures.

The one we are operating under now is Bill No. 45 of last year which gave the -

MR. ROBERTS: Which replaces all previous ones. Is that correct?

MR. MARSHALL: Which replaces all previous ones. Because these bills

MR. MARSHALL:

only last for a year anyway.

MR. ROBERTS: No, they last until a new one is passed.

MR. MARSHALL: Okay, until a new one is passed. But this replaced the previous bill and it empowered there to be borrowed \$197 million for the purposes of meeting the difference between the estimated deficiencies between provincial revenues and expenditures and to provide for expenditures to repay, renew or refund in whole or in part any security issued under this or any other act.

Now last year, Mr. Speaker, I noticed the last phrase in the Act, we were getting to the end of the time and for reasons that are not necessary to go into at this particular time, I noticed the peculiarity of that particular phrase there empowering this \$197 million to be borrowed for current needs and for repayment of debts. Because the 'and', the second phrase, was really unnecessary in my view. And really I think probably - I do not know whether it is put in there by design or whether it was put there because of some legal advice or what have you, but I can only speak as I see it and say that that particular phrase has no real place in the act because the Financial Administration Act gives the power to borrow for those purposes anyway under one of those sections I alluded to a moment ago, I think it is section 41.

So the point is we had \$197 million authorized last year to be borrowed, \$197 million plus. And it is a moot point as to whether or not it is \$197 million plus such amounts as may be necessary to repay existing indebtedness. I had thought indeed that that was the purpose of the bill, and in effect what we were doing was that we were giving the government really a cushion of \$50 million or \$60 million above its needs because, Mr. Speaker, last year if you refer to the budget speech you will find that the total amount that was necessary to be borrowed was

MR. MARSHALL:

\$197 million which is reflected in this bill, but it was made up of approximately \$135 million with respect to current programmes, and \$62 million for redemption in sinking fund purposes. So in my estimation when I saw it last year, and I thought that other members in the House understood it, that this was to give the government a cushion of between \$50 or \$60 million that they could borrow in addition, and maybe this is where the \$50 million comes in. Now, I would like to dwell for just a moment on whether this should or should not be, and why this particular section comes in. I would say first of all that I do not favour myself the necessity of a loan bill for any more than the estimates called for current expenditure and only that particular amount for the year.

In other words, I had thought that, when I looked at it last year, to be quite frank, that this loan bill should really be for \$137 million rather than the \$197 million and I felt quite sure that all members of the House realized what we were doing, that we were in fact giving a cushion of an extra \$50 or \$60 million as I say to the government. Now I did not speak about it at the time, I am not in favour of giving that particular cushion and the only way I can see it occur. Look, when this measure first came about, and the reason I am familiar with it was that it first came before this House, this particular measure to cancel borrowing,

MR. NOLAN: That was a financial decision.

MR. MARSHALL: No, it came, you know -

MR. NOLAN: Oh, the Private Members' Bill.

MR. MARSHALL: Yes, the Private Members' Bill, there are certain people, I suppose we are all, have a certain amount of egomania in us and there are certain people who, when they are in charge of certain areas, want to bring in acts as if they were their own conception. But the fact of the matter is, the record would show that in 1970 while a member of the opposition, I led before this House and introduced as a private members bill an amendment to the then Revenue and Audit Act which was exactly for this purpose, which was to cut out this business of secret borrowing.

MR. MARSHALL: At the time, as I say, it met savage opposition because it was voted down, not unexpectedly, by those who then thought it was better for the Cabinet to be able to borrow in secret cabinet session. I do not think the Liberal Party now espoused to this, but this is what they certainly were doing at the time. Then we came along to the stage of bringing this valuable policy into effect in government, and while I found at the time, as a member of Cabinet obviously I got great support from the elected members and the members of the Cabinet, I have to say that it received also savage opposition - savage may be over stating it - but it certainly received opposition from those in the position of public service, permanent public service.

And the reason for that - I beg pardon!

MR. NEARY: There was no opposition in the House.

MR. MARSHALL: Oh no, there was no opposition in the House at all. Everybody was agreeable to it. But it did - because there is a conflict, and this is the whole purpose of the bill, there is a conflict between the desires of the bureaucrats and what must be necessary for the elected persons. In the case of the bureaucrats what they want to do, with all good intentions, they want to have the power to borrow whatever they wish at any given time it is convenient when the possibility of a favourable loan comes up, and you can understand that.

But from our point of view, and from the point of view of the elected representatives, the power to borrow and the power over expenditure of money has really to be vested in the legislature, otherwise you lose the aspect of responsible government. So it was after, only after a great deal of debate, of trying as much as we could to accommodate and balance the two interests, that this particular act was brought in and it is a good one.

Now I just wonder, and I make no - maybe I should make this understood, I am making no allusions, I am just asking this question to the hon. Minister of Finance, when he rises to speak I know

MR. MARSHALL:

he will address himself to it. I am just wondering whether or not the inclusion of those extra words which gave the extra \$50 million, was put in there by design or was it really put in there, and probably I should not be asking this because you cannot ask a minister did the civil servants advise him but I rather think it was shoved in because, Mr. Speaker, one of the things and I do not want to single out the

MR. NEARY:

There is not quorum.

MR. SPEAKER (Capt. Winsor): Count the members.

There is a quorum.

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

MR. MARSHALL: Thank you, Mr. Speaker.

As I was saying before the quorum interrupted, I do not know whether this is a result of advice from civil servants, but this I do know - there is nothing against civil servants as such. They have a certain job and a duty to perform, that they in the interest of bureaucracy wish to have everything, you know, very convenient. But I do say on this matter of civil servants, and public servants - and I do not want to raise the issue - that one of the hardest things, and this is an indication of the difficulties involved, one of the greatest difficulties any government meets in effecting change and effecting any kind of meaningful change, such as this, is the fact that they have to effect those changes through the same machinery, the same administrative machinery, that existed before the change itself. And I have generally found that in many cases, understandably because they certainly have a point of view that the public service has taken positions that have become immutable, and it is just as well sometimes to go and run your head into a concrete wall sometimes as to try to change the minds and bring about the changes.

MR. ROBERTS: Only you could have changed the civil servants' minds.

MR. MARSHALL: Yes, well even that is almost virtually impossible as well.

But the fact of the matter is I just wonder whether - there was a cushion in this bill last year, and everybody knew about it, so the government has not, in my view, acted illegally, as such, as was the original motion put there. It was debated.

SOME HON. MEMBERS: No, no!

MR. MARSHALL: No, okay.

It was debated, but I will say this, that I would prefer to see, because I believe myself in the - despite the fact that we are in a politically unconscious society - that I believe that the full rights of government should be dealt with in this House, in this particular House and nowhere else. And I believe that this House, you know, ultimately or any elected assembly has to be the effective repository of the rights of citizens. So I do not myself feel - I did not feel too happy last year, though I voted for it, in the cushion, in there being any cushion. You might have a cushion of \$3 million or \$4 million. A few years ago - you know, we talk about \$3 million and \$4 million now as if it were nothing - you might have had it \$140 million. But I would myself prefer to have seen the House, say, recalled if extra money is needed at any given time. And bearing in mind that if you have a filibuster or something of that nature, that the rules be changed to allow debate for a day or two days or something like that. If you have to meet such certain exigencies of time, surely you can work out a compromise of that nature. But I do not believe myself that this really is a matter that was not really referred to the House before. Also I would underline that really the

Mr. Marshall:

provision of cushions to the Executive Council I do not think should be there. But at the same time we have to note, Mr. Speaker, that, you know, a small cushion was there, but before, you know, the sky was the limit. I mean it was just a feather bed, you know, the world was completely of roses, and they could borrow whatever they wanted. So this is a marked, marked improvement even in its present application.

AN HON. MEMBER: They only borrowed one million.

MR. MARSHALL: Pardon?

AN HON. MEMBER: They only borrowed one million.

MR. MARSHALL: No, I do not understand what the hon. member is saying or I would reply to it. You know, I really do not.

Another issue on this is not - it is the issue of whether it is borrowed - but another issue that I think has escaped the hon. member is whether or not it has been spent, you know, because it is obvious that next year we are going to need a lot of money. And I think it is a very moot issue as to whether the money has, in fact, been spent.

I do not propose to, you know, go at any greater length about it. But I will just say this, that I am not in favour myself of any excesses over the Loan Bill. I would not be in favour of it. As a matter of fact I would be diametrically opposed to it. In this particular case I do not think it has occurred. If it had occurred - I understand now, I may be wrong, the Minister of Finance will indicate this, but I understand there has been an amount borrowed this year in total of maybe in the vicinity of \$215 million. Now I may be quoting it wrong. But certainly within that \$215 million there would be many millions of dollars in excess of the difference between the \$197 million and the \$215 million that has been used for the purpose of rolling over a debt. So the House has really already voted on it, whether they voted on it fifteen years ago when that debt was first incurred, and it now has to be rolled over, or

Mr. Marshall:

it was voted on last year. So it is certainly, as far as I am concerned, it has been legal. The only thing I am talking about is the procedure that had been used, and I think that the Borrowing Bill would be more properly be down without any cushion.

As to the amount of \$50 million, that is a lot of money. The hon. member from Windsor-Buchans (Mr. Flight) indicated that almost all of that would go into retirement of interest on our public debt. And there is no doubt about that. That is just about, you know, maybe one-quarter, is it? No, it is about one-third of the debt service fund that is coming up next year. So, you know, that and much more will have to go to pay the interest on the public debt. But when you come down to the business of why the public debt is so high is so high that is another issue, Mr. Speaker. It is all very well to castigate a government for having to borrow hundreds of millions of dollars, but when you consider that when the government came in power there was already \$1 billion that had been borrowed, and \$1 billion is \$100 million a year of interest that this government had to find every year to finance their debt, it is no wonder that the debt has ascended. So I do not think it is right for members to get up and say we borrowed \$1 billion and you borrowed \$2 billion or however many billions were borrowed, because much of that money was borrowed to refinance the existing debt.

And the fact of the matter is, that we have got to come to grips in this Province, and it has been said before, and I think it is patently obvious now, that we have got to come to grips with the debt, and the Minister of Finance's task is certainly a very unenviable one. But I do not think, regardless of positions that have been taken by being critical of the financial administration of the Province, that this is an area in which, you know, we can be properly critical.

Mr. Marshall:

But I do want to emphasize again in closing, Mr Speaker, the importance of that Act, the Financial Administration Act, because at least it requires the executive to come before this House and tell the people how much is to be borrowed before the money is actually borrowed. Whether or not the public have received it and see it as a great reform, you know, it is very debatable. Obviously they have not. But it is a very, very good one because it is a major one in keeping checks by the Legislature on the executive. And as I say for that reason I cannot vote for the motion because it would be a difficult situation to vote for it any way even if it were true because when you come down to these motions, even though, and I will say here and now, that I do and will strongly disapprove of provisions being brought in of borrowing of money beyond that Loan Bill.

MP. MARSHALL:

I am sure other members of the House feel the same way. But when you do have motions like this and you are on the government side of the House - and I think it is necessary when you are elected to take the responsibility, apart from a long political affiliation, of you know which is the best group to form the government, well I am certainly not going to vote for an amendment that has been put up by the members on the other side, because good fellows and all as they may be I certainly would not be prepared now - I have not in the past, I am not now and I have absolutely no conception by the way the hon. members addressed themselves to the various issues - that I shall ever be prepared to do anything to put them back in the government benches and allow all of this stuff to be torn down.

So those are my remarks, Mr. Speaker. I say that I do not think that the government in this case acted improperly, but I do urge the government to consider wrestling once again with the bureaucracy that I see present in this particular situation, and when the next Loan Bill comes in, borrowing only that amount of money which is necessary to meet the excess of expenditure over revenue.

SOME HON. MEMBERS: Hear, hear!

MP. SPEAKER: The hon. Minister of Financé.

MR. DOODY: Mr. Speaker, I realize the hour draws on and the hon. Leader of the Opposition wishes to say some words. I will try to make it as brief as I can. But I think it is important that the record be made perfectly straight on this particular issue because there is apparently a great deal of confusion attached to this borrowing. I had thought that the hon. the Premier and myself had made some comments a few days ago which would have straightened the matter out. But this is not so. Whether the hon. member who proposed the sub-amendment was confused between the Loan Bill and the Supply Bill, or whether he was not familiar with the Loan Act, you know, is a matter which is something for conjecture.

But in order to clear the air, I think it is necessary that I elaborate on some of the things that have been said, and I think

MR. DOODY:

that the hon. member for St. John's East (Mr. Marshall) has really touched on most of them already and has been quoting the various sections of the act which give us the authority to do the borrowing which was done. To suggest that the borrowing was done improperly or illegally or without the consent of the House simply demonstrates the fact that the people are not familiar with the various laws that are in place in this Province.

Mr. Speaker, just a little background on the situation. As was pointed out by the member from St. John's East (Mr. Marshall), when this administration took office we reviewed the borrowing practices of the previous administration. At that time, Sir, there were no limits placed on the borrowing powers of the government, and I mean literally the government, the cabinet at that time. This administration decided that it was time that the House of Assembly control the borrowing policy of the Province. In the 1973 session of the House of Assembly the government introduced for the first time a bill, "An Act To Authorize The Raising Of Money By Way Of Loan By The Province" And the object of this act was to set before the legislature the maximum amount of money which the Province can borrow without a further reference to the House of Assembly.

It should be pointed out that the Act does not have an expiry date but rather each year the House of Assembly repeals the existing Loan Act and approves a new Loan Act. Therefore, Sir, the Loan Act under which the government is now operating is the Loan Act of 1976, under which the government has the power to raise loans not exceeding \$197 million.

Now the hon. member for the Straits, the hon. leader of the Opposition, in public statement has made the comment that the House of Assembly has not approved the \$50 million private placement with the Province of Alberta which was announced a few days ago. This is not a correct statement, Sir, as the House of Assembly has approved the above noted Loan Act, the 1976 Loan Act, and it is under this Act that that private placement was negotiated and it is

MR. DOODY:

under that Act that it will be completed. As I have said the borrowing of these funds will not be for the budgeted fiscal year of 1976-1977.

MR. DOODY: And that is important, the budgeted fiscal year of 1976-1977 but rather for the fiscal year of 1977-1978.

AN. HON. MEMBER: If it is set every year, why was it not budgeted?

MR. DOODY: Because the amount in the budget and the amount that is permissible to be borrowed under the Loan Act are two entirely different amounts. And if the hon. members will refer to the Public Accounts of the previous years, they would notice that very, very rarely indeed do the two numbers coincide, I doubt if they ever do.

I pointed out earlier, Sir, that the Loan Bill of 1976 does not expire at least until such time that a new loan bill is introduced. Obviously, had a new loan been introduced before the private placement with the province of Alberta was completed, the borrowing would be under the new loan bill. There is nothing different about the government not discussing this particular placement, the Alberta placement, this particular borrowing with the House of Assembly prior to the negotiations, prior to its completion, as is with any other placement that the province has ever made.

It is not the practice of this government or of the crown agencies to discuss publically in the House or anywhere else the negotiations that lead to loans. They are obviously carried on in confidence with the lender, the rates are negotiated, the terms are negotiated, the length of the loan is negotiated, the yield is negotiated, the coupon, everything is a matter of negotiation, and it is only at the end of this time, when both parties have arrived at what they feel is a reasonable level of acceptance of the case on each side, is the announcement made and is the agreement struck.

This is the case with the province's recent Euro-dollar issue in Europe, which, I think, it was the middle of February that it was announced here in the House. I might point out to hon. members that the House was in session at that time. The announcement was made at the completion of the deal and there was not great controversy about it. The borrowing was made under the same act, under the same conditions. The only difference with this one is that for some reason or other hon. members

MR. DOODY:

opposite are completely hysterical about the fact that the province of Alberta is loaning money to the province of Newfoundland. And why they should be upset about that and not get upset about the Swiss Bank or the Credit Commercial de France or A.F. Ames or some other people placing money publically, is something that I do not quite understand.

Anyway it is quite obvious, and should be obvious to everyone, that the completion of that private placement, or public placement, or any other placement could obviously could not have taken place without the consent and the legal opinion of the province's Department of Justice and that opinion obviously was gathered and is at hand. And it is equally true that the Justice Department and the province of Alberta took equal precautions and very closely studied the loan act and the legislation in the province of Newfoundland which authorized the borrowing of that money. So there can be no illegality about it. This opinion has been given to us by the Department of Justice, it was given to the province of Alberta by the Department of Justice. And under the 1976 loan bill the province does have the room to borrow the \$50 million.

The 1976-1977 borrowing programme was budgeted as follows; the approved budget estimate was \$197 point some million. And we had four public placements. When I say public placements I mean other than Canada Pension and DREE and Transfers and so on. June 15, 1976, \$30 million; August 1, 1976, \$50 million; January 5, 1977, \$35 million; February 15, 1977, \$50 million for a total of \$165 million.

Now the loan bill does not include as part of the approved total of \$197 million, and this is crucial, Your Honour, these monies which are required for the repayment or for the renewal or for the refunding in whole or in part of any securities already issued. The loan bill is quite explicit on that. Quite apart from the fact that we have borrowed, as I say, a total of \$165 million on the public markets of \$197 million which we were authorized, we were also authorized under that bill to borrow if the House had authorized this government to borrow those monies which are required for the

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MR. MARSHALL:

renayment , the renewal or refunding , in whole or in part of any securities already issued. Now if the hon. members would look at the budget and look at the public accounts, they will see \$48 million in debt retirement alone, over and above that amount.

MR. ROBERTS: Sinking fund?

MR. MARSHALL: \$48 million. No

Mr. Doody.

in debt retirement, in repayments. The sinking fund would be an amount that is taken from each individual issue and placed in a private account to use and will eventually be used for debt retirement when the bond issue comes due. The \$48 million in debt retirement is \$48 million which has literally retired a debt.

Now for the information of the House I might point out that the approved estimates and the approved loan bills - and I alluded to this a little while ago, Your Honour - for the past four years are as follows: - and I do not once again to load the House with statistics, but I am afraid that finance is very largely a matter of statistics - in 1973-1974, the approved estimates were \$209 million, and the approved loan bill was \$177 million; 1974-1975, \$168,500,000 for the approved estimates, \$168,700,000 for the approved loan bill; 1975-1976, \$204,800,000 as against \$225 million; in 1976-1977, \$197,100,000, \$197 million was the approved loan bill.

So I would like to repeat, Sir, that it is unfortunate that at a time when this Province should be very proud of the private placement which it has been able to complete with the province of Alberta, on terms which are quite favourable to the Province and which will enhance the future borrowing ability of this Province, the Opposition has seen fit to raise doubts as to the authority of the Province in the first place, which is a shock to the marketplace, and has to be made perfectly clear that there is no illegality; has seen fit to raise doubts of the authority of the Province to borrow the money, and to raise issue which I trust has been demonstrated by the hon. member for St. John's East (Mr. Marshall) and by myself, as to be quite unfortunate, quite inaccurate, and I would almost go so far as to say quite irresponsible.

Now the hon. member for LaPoile (Mr. Neary) has suggested that the rate that we were charged, the effective cost to the

Mr. Doody.

Province on the Albertan issue was excessive, that they should have given us the money for four per cent or five per cent, because they are great philanthropists out there. They have got billions of dollars - and I think it is almost literally true, I think they have almost got \$2 billion in that heritage fund - and the people in Alberta should start slashing that out to other provinces at four per cent interest or three per cent interest. It sounds like the great fiscal and economic policies of an administration that used to operate here at one time, irresponsibly throw out the money of the people of Alberta at an interest rate lower than that which is current and common in the Dominion of Canada, and in the world markets! Do you think the people of Alberta would tolerate their government if they did that? They would run them out of office and rightly so. So what they did is that they charged us what was an effective cost to the Province of 10.12 per cent. And I have provided these numbers to the hon. Leader of the Opposition a few minutes ago at his request. He called the office yesterday. The effective yield, as I announced, is 10.67, I think. The effective cost and the effective yield are two entirely -

MR. ROBERTS: I am not sure that the hon. gentleman has given that figure.

MR. DOODY: No, no. When I announced the deal -

MR. ROBERTS: No!

MR. DOODY: Oh, yes, I did. I gave the yield and the term and the yield.

MR. ROBERTS: Go ahead then I will double check the Hansards. I was not here then.

MR. DOODY: I feel reasonably certain I did, and it is in here.

Yes, I remember twenty-one year money at ten per cent - that was a two per cent sinker, and an effective yield.

MR. ROBERTS: No, no. I am sorry . There is no reference.

MR. DOODY: Is there not any reference to the yield.

MR. ROBERTS: The minister just said that it was at a discount, but it took me a day to find out the discount.

MR. DOODY: Well it was \$100.50 coupon.

MR. ROBERTS: No.-

MR. DOODY: No, that is the U.S. issue.

MR. ROBERTS: It was sold at \$99.

MR. DOODY: That is the U.S. issue.

It is \$99.

MR. ROBERTS: We are getting \$100 worth of bonds and get \$99 cash.

MR. DOODY: That is right. I stand corrected.

The \$100.5 was the U. S. dollar issue.

MR. ROBERTS: Yes, that is the European issue.

MR. DOODY: The European issue of the previous month.

MR. ROBERTS: Was 10.67 effective?

MR. DOODY: I believe that that is so.

I can check that, but that is the yield, and the yield and the cost are two entirely different things, and the hon. Leader asked me to find out what the effective cost to the Province was. And the effective cost to the Province is 10.1 and that is for twenty-one year money. The effective cost on that U.S. dollar issue which we just spoke about -

MR. ROBERTS: Was about 9. something.

MR. DOODY: 9.08 was the effective cost, and that is twelve year money. Now the hon. member for LaPoile (Mr. Neary) just mentioned that the Province of Quebec had just raised a nine and one-quarter year money, at nine and one-quarter per cent. That is five year money.

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MR. ROBERTS: Seven.

MR. DOODY: Five year money.

MR. ROBERTS: Seven year money

MR. DOODY: In Canada \$175 million. I might also add that \$100 million of that was taken out by the banks, \$50 million was taken up by institutions within the province of Quebec.

Mr. Doody:

and there there is \$25 millions of it taken out by the public, What a vote of confidence in a government! It is absolutely astounding with their double A rating, and their triple A rating on their hydro on our Churchill, given away by the previous administration, they are still able to raise -it is an unbelievable financial issue that I do not think has ever been seen in the history of the market place, certainly not in Canada's history.

Why the rush, some hon. member asked? Why do we run out in this particular time and borrow this money from Alberta? The rush is because the money was available at reasonable terms, Your Honour, and prudent business dictated that we take advantage of the opportunity to borrow money. Because it is no deep dark secret, Your Honour, that this Province will be borrowing money next year, we are going to need to borrow money next year, and we are going to have to borrow money next year. And the fact that our rate of borrowing is an unfortunate rate of borrowing, and one which we do not like, and one which we do not enjoy, the very fact that hon. members opposite bombard this government with petitions daily for water works, for sewerage systems, for roads and for buildings, and for all the public services that are necessary in the Province, means the necessity of borrowing, and we have to go out and borrow. When the opportunity arose at a reasonable rate from a sister province for \$50 million, we took advantage of the offer and we are very grateful indeed of the opportunity to borrow that money. There is no secret, Your Honour, that the American market place is in a lousy condition, if I may use the expression. It is in terrible condition. Governments of Canada are not particularly happy with the rates that are now available to them in the department, in the market place in the U.S. The Province of Quebec has unfortunately raised a lot of doubt in the public markets as to the stability of Canada and its provinces generally. The Eastern part of Canada is particularly affected by the decision of the people of Quebec to vote Levesque's government into office, but perhaps the hon. members

Mr. Doody:

can tell us more about that than we since they seem to have a closer rapport of the separatists than this particular government has.

MR. ROBERTS: Oh, that is typical!

MR. DOODY: Now there is a point that the hon. member from St. John's East (Mr. Marshall) raised which is a legitimate one, and one I think should be answered: The intent of the Bill and whether or not the intent of the Bill has been violated I do not honestly think so. I think the Bill was set forth very clearly, and the wording in it was made very clear, and everybody in the hon. House had a chance to debate and to decide whether or not they wanted that particularly wording in, and if they wanted to give government that much leeway in borrowing in that particular Loan Bill.

It can be debated that the Bill may not be correct, that there should be an improvement. Personally I feel that a certain amount of flexibility is not only necessary, it is absolutely essential. The hon. member from St. John's East feels that the market place is such that officials are influenced more by it than by the necessity of the authority of the House to tightly control the borrowing programme. In between there, there has to be a balance struck. Because there is absolutely no question at all that if this House has no flexibility, if the amount of money that you are allowed to borrow was set down at the beginning of the year, and you had to go to the market place at the mercy of the market place, it would cost millions and millions of dollars in extra interest over the years to come. And prudent business practice dictates a window, a space in there, where you have some flexibility. How much flexibility there should be, as the hon. member has indicated, is a matter of debate, and perhaps when we get into the Loan Bill that debate can very well take place.

MR. DOODY:

The basis of this particular amendment, Sir, is one unfortunately that is not well-founded. The prior approval of the House was indeed given. It has been demonstrated that it has been given. The very reading of the Loan Act, the Loan Bill demonstrates the fact that this House had debated, and had given the authority to the government to borrow that money, and government has borrowed the money. The money will be spent in the coming fiscal year and it will be spent on public projects.

As to the amount of money that the government has borrowed and the rate of increase in the borrowing, the net debt has increased, the rate of inflation has increased,

MR. ROONEY:

the rate of inflation has been compounded. We should get into, I suppose, an explanation on the difference between five year money and ten year money and twenty year money and so on and why the interest rates are different in these particular cases, why European money appears to be cheaper on the surface than it is because of the term and so on. But I think that that might best be saved for the budget debate or for future debate, because I did indicate to the Leader of the Opposition that I was not going to take very long.

I do simply want to point out and re-emphasize to this hon. House that there was nothing illegal, nothing wrong. As a matter of fact everything was done completely within an Act that was approved by this House in 1976, that Act, a Bill which is still operative and which still gives us the authority to borrow more if we so desire, or if the opportunity presents itself or if we feel that it is necessary. As I say, I do not think it will be. But as I said when I referred to the U.S. borrowing of February, we were not closing the door on it at any time and we did not. I am very, very happy to say that the Government of Alberta indicated to the Government of Newfoundland that they were going to put their heritage trust fund into the market place and would we be interested in borrowing some money from that.

The Premier of the Province of Newfoundland came to Cabinet and said he had had this suggestion from the Premier of Alberta. The officials of the Department of Finance made contact with their counterparts in Alberta, worked out the terms and arrangements of the agreement under the advice of the officials of Justice of both departments, the bargain was struck and the Premier of the Province of Newfoundland and the officials appropriate will be going to the Province of Alberta next week to sign this historic landmark in the history of Canada, and I for one, Sir, am very proud to have been a part of it.

SOME HON. MEMBERS: Hear, hear!

MR. MURPHY: To a point of order.

MR. SPEAKER: A point of order I believe has come up.

MR. MURPHY: If the hon. Leader of the Opposition will excuse me just for one moment.

MR. ROBERTS: Yes, sure.

MR. MURPHY: I am referring to an address made by the hon. member for LaPoile (Mr. Neary) where he intimated he was tabling some documents. Sir, I wonder if these documents are available. I would like to have a look at them.

MR. SPEAKER: The hon. gentleman is referring to the speech of the member for LaPoile (Mr. Neary) and certain documents and is asking that they be tabled. My ruling at the time was that if the documents were read, they should be tabled. So if the hon. gentleman has not complied with that I would ask the officers at the table if they would be able to get the documents within the near future.

MR. NEARY: Mr. Speaker, just on a point of information. What documents did I read?

MR. SPEAKER: Any documents that the hon. gentleman may have read during his speech.

MR. NEARY: Okay. Gladly, Sir, I gladly table them.

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

MR. ROBERTS: Mr. Speaker, the sub-amendment before the House, the one which we are debating, would add to the amendment, the amendment which I moved some time ago, the major amendment, if you wish, or the Opposition amendment to the Throne Speech, would add to that amendment these words, "And this House further regrets the action of the ministry in agreeing to borrow the sum of \$50 million without providing prior opportunity for debate in the House."

Now, Mr. Speaker, that is a rewording, a rephrasing of the amendment originally put forth by my colleague from Windsor-Suchans (Mr. Flight). And the reason it was rephrased, I think it is fair to say, was that representations were made in the House to Your Honour. I think a point of order was taken to the effect that there were some assertions in

MR. FOREPTS:

the original sub-amendment which were not correct. Your Honour found yourself or Your Honour's self or your honourable self, as the case may be, in a most difficult position as Your Honour explained at the opening of this session, because if Your Honour had to satisfy yourself on the assertions, the validity of those assertions, not only was that a cumbersome process but it would mean, in effect, in my submission at least, Your Honour, deciding a question which should be decided by the House, not by the Chair. So Your Honour exercised the discretion which is confided wisely in Your Honour and rewrote the motion, rephrased it in the terms that are now before the House.

Mr. Speaker, that obviously was the right thing to do in the circumstances, because the point of this debate is not simply the legality of the government's action in borrowing this \$50 million from - it matters not from whence it comes but it happened to be from Alberta. Before I go into that point let me deal with a point which the Minister of Finance made in his remarks when

MR. ROBERTS: he said, and I wrote the words down, That we are very upset that Alberta has lent the money. Well let me put the lie to that. Nobody on this side of the House, and I do not think anybody anywhere for that matter, gives a hoot or a holler from whence the money came. If it has to come from somewhere I just as soon it came from a sister province. Alberta happens to be in the fortunate position of having \$2.4 billion in cash. Right now it is thirty per cent of their oil royalties over the last few years. They have profited immensely. Some people, and I am not one of them, but some people say unfairly, but they have profited immensely from the rapid escalation in oil prices. The Government of Alberta have been called blue eyed Arabs, because of course they jacked up their price of oil nearly as rapidly as the Arabs have jacked up the price of their oil.

One of the results of that extraordinarily rapid, that quintupling of oil prices in the last five years has been the amassing in the hands of the Alberta Treasury of incredible sums of money, at least incredible by the standards of this poor little Province. And they have \$2.4 billion I understand in the Alberta Heritage Trust Fund and the legislation adopted by their Legislature says that must be invested outside the Province of Alberta and so the \$50 million which we are getting is part of that. And I think it is in fact the first time money has been invested outside Alberta, the first time the Government of Alberta have made the decision to invest and I suppose we should be pleased and happy that the money is coming to Newfoundland. If it has to go somewhere then why should it not come to us? We are certainly going to need it.

MR. ROBERTS: It is not a precedent in Canada, of course, because there was a time in the late 1960s, I believe when the Government of British Columbia and the Government of Quebec were in a borrower-lender relationship. The Government of Quebec borrowed, I believe it was \$100 million from the Government of British Columbia, who at that time happened to have a very large, very healthy cash balance and so they lent it to their sister Province of Quebec. I believe that loan was subsequently repaid according to the tenor of it.

So let me say to the Minister of Finance that if he feels we are upset because the money is coming from Alberta, then he is wrong. We are not the least bit upset. If the money was to come from somewhere why not from Alberta? They happen to have it. They are lending it to us at a rate that is not a particularly good rate. It is not much better than we have borrowed this year over the course of the year.

I will give Your Honour some figures. . The effect of cost to the Province of the money we have borrowed this year, and this is not the yield, this is the effect of cost, but I am comparing apples and apples, we borrowed \$30 million in Canada in June, a twenty-one year term at 10.99 per cent. We borrowed another \$50 million on a twenty-five year term at 10.15 per cent. We borrowed another \$35 million on a twenty-two year term, at 10.21 per cent, that was in January, two months ago. We borrowed a month ago in Euro dollar, a twelve year term at 9.08 per cent. We have now borrowed \$50 million on a twenty-one year term at 10.12 per cent.

So it is not a particularly good rate. It is not a bad rate. It is the sort of thing we would probably get if we went to the market today with an offering of this size.

MR. ROBERTS: And that is what I am told by some brokers I have checked with, that we should not feel Alberta is doing us any favour. They are not. They are getting a normal commercial rate. In fact it has been suggested to me they are probably getting a little better rate than they might be able to get if they lent the money to some other province. Of course is not necessarily to their credit or our discredit, because of our well know Baa credit rating we are going to pay more than most other provinces do for loans. And that has been so for a long time and it will be so for a long time.

So, let me dispose of that point. Hon. gentlemen opposite may think what they want, but let me say that we are not the least bit concerned from whence the money comes. It is utterly irrelevant. We have to pay it back. The Government of Alberta will be as quick to collect it as some trustee in New York, or the trustees of the bond issue in Europe. We are not the least bit concerned from whence it comes. It is the administration that has triumphed it. Allegedly it is the saving of salvation or a measure much to that effect to hear the Premier and the Minister of Finance talks. It is not, Sir. It is a normal commercial transaction where we have got probably as good terms as we could get anywhere else and where the Alberta Government have probably got a little better return on their money than they would have got if they had lent it to some province or the agency of another province with a better credit rating that we happen to enjoy.

MR. ROBERTS:

Mr. Speaker, you know, that in itself is a red herring of monumental proportions. Let me come back to the legal point - and I have only got a couple of minutes until we call it one o'clock and I understand the government house leader wishes to move an, well it is an unusual motion, an adjournment motion in terms a little different than those which normally occur. Although we feel it is unnecessary, we have agreed to it. And so I will have to adjourn the debate, you know, two or three minutes before one o'clock.

But let me say on this legality point - I will go into it at some length when next the debate is called, which I assume will be Monday - but I do not think and I have never thought that the administration are knaves or fools. It is obvious that if they borrowed \$50 million they believed they had legal authority to do it, and it is equally obvious that the Government of Alberta believed that the Government of this Province in fact had the legal authority, or the Government of Alberta, who are not knaves or fools either, would not have agreed to lend it. There has never been any question at all.

And the words of the original motion put forth by the gentleman for Windsor-Buchans (Mr. Flight) used the word 'approval', not the word 'authorization'. That different wording was used in an effort to convey the fact that while the House might well have authorized it - and I am certainly not going to take issue with the legal opinions which I have no doubt the government have - while the House may have authorized it they did not approve it. Mr. Speaker, I shall speak on this at some length on Monday, because I maintain that this House, Sir, relying upon the words used by the Minister of Finance in debating the Loan Bill, the Loan Act, the Act No. 45 as it became, and in relying upon the statement made in this House and outside by the Minister of Finance a fortnight ago, had every reason to believe that the government intended to borrow no more money other than \$197 million.

The hon. Minister of Finance is not in the Chamber but he is close enough. He now sticks his nose in. He has a habit, I understand,

MR. ROBERTS:

from his officials, of sticking it in where it is not wanted. But he now comes in to his seat. The fact remains, Sir, that the House had been led to believe that the borrowing programme had been completed. And furthermore, Sir, - and I do not have the time to do it now, I will go into it in some detail - the borrowings under the Loan Bill are very close. - the minister has not been candid even now - are very close to what in fact was authorized and certainly in my view more than was approved.

Mr. Speaker, that in our view over here, Sir, is the issue. It is not an issue of legality. I am not going to quarrel with the legalities of it. This is not the place to do it in any event. But even if I felt - and I do not - that the thing was illegal, and I have never said it was illegal, I do obviously have to come to the conclusion that the law officers of the Crown were asked for their advice and that they gave advice saying it could be done.

The issue, Sir, is one of honesty, one of morality, one of whether a minister's word, a minister outlining policy, can be believed, whether the House can take at value assertions made by the administration. And I submit, Sir, that in this instance - and this is not a minor instance, this is a major instance - the actions of the administration are not at one with their words and protestations. That is so, Sir, both in respect of this particular \$50 million but also in respect of the fact that the administration maintained - and the gentleman for St. John's East (Mr. Marshall) outlined the historical circumstances - maintained that they had adopted a policy of not raising money without first informing the House and having the matter discussed, debated and approved as well as authorized.

I shall show when I speak on Monday, or whenever the house leader for the government next calls this debate, I shall show that this money was not approved by this House. It may well have been authorized. The Loan Act, as we said - and I looked back through the Hansards - as we said two or three years ago the Loan Act has

MR. ROBERTS:

more loopholes in it than a piece of swiss cheese. And this government have now shown a \$50 million loophole. They have driven, not a garbage truck, Sir, they have driven a truck full of diamonds through the Loan Act, and at the same time they have exposed the fact that they do not any longer subscribe to the principle which they so piously espoused and which I believe to be a good principle,

MR. ROBERTS: which I believe to be a very good principle.

Mr. Speaker, it is nearly one o'clock and if it is in order I will move the adjournment of this debate, and then the House Leader for the government can move his adjournment motion and the House will decide from there.

Mr. Speaker, I will resume it. As I say, I feel very strongly on this. I think the government have acted very scurvily, I think they have acted improperly, I think they acted against principle, I think they have acted against the best interests of the people of this Province and, Sir, that is why we have put this amendment down to test the House and to allow members of the House to state their opinion on this great principle that the House must control. And sharp practice, sharp practice, Sir, not illegal but sharp practice, in borrowing \$50 millions more than was approved by the House, or the House had been led to believe would be needed, on the credit of the Province this year, that, Sir, is a breach of that principle and that we do not accept nor shall we tolerate. I move the adjournment, Sir.

MR. SPEAKER: The hon. the Minister of Justice.

MR. HICKMAN: Mr. Speaker, I move the remaining orders of the day do stand deferred and that this House on its rising do adjourn until Monday next at 3:00 p.m., provided that if it appears to the satisfaction of Mr. Speaker, after consultation with the government, that the public interest requires the House should meet at an earlier time, Mr. Speaker may give notice that he is so satisfied and the House shall meet at the time stated in the notice and shall transact its business as it if had been duly adjourned to that time.

On motion the House at its rising adjourned until tomorrow Monday, March 7, 1977, or to the call of the Chair.